Previous References 1925-26 (Geol) **File No.** 96-25

Serial Nos. 1-69 to -14

Later References

preserve

(104)

General and Revenue Secretariat.

Serial Nos.

Part B for July-Dec

SUBJECT

Policy in regard to mining Development Myore ——

REPLY

be written on this margin.

Secl. 96-25

2m 126 [ ]

OFFICE OF THE FIRST MEMBER OF COUNCIL.

NOTE

Dated 5th January 192 6.

A statement may be put up showing the names of persons to whom prospecting licenses for manganese and chrome have been issued under the revised rules according to which 25 per cent of the net profits is payable by the licensees.

2—I believe the Director of Geology has been asked to submit a report this month as to how the revised rules have been working. Has any report been received from him, and if not when it is due? If it is already overdue, he may be asked to submit it without further dela

dk 5/1

Revenue Secretary,
with compliments.

3447 Immediate a/s. Dr. Immediate
h 5/1
WP

Serial No

3, Draft calling for the information to post up.
leg. 6.1.26.

5

In the meanwhile obtain info[rmation] on the other points by referring to files in the Secretariat WP 7/1.

1) To, Director of Geology.
No. 4560 dy. 7.1.26.
Calls for immediate Submission of a Statement showing the names, manganese & Chrome licensees under the Revised rules.

2 Do Letter No C.605-1897 January 1926 from the Director of Geol Submitting a statement containing the particulars called for above.

6. The Statement received from the Director is submitted for perusal with reference to para 1

7 The last report regarding the working of the revised rules was sent in August 1925 and the file is now before Council Connection with the Consideration of the question of future policy in Connection with the grant of prospecting licences in the State In that file, the Member has been pleased to make the following order

Stamp L

D723
Genl. 133-24-9

December next before considering the question of modifying the present system of participation the Govt in the net profits upon Prospecting licenses Chrome and Manganese Blocks."

8 If ordered, a report will now be called for.

9 For orders.

16.9.1.26.

10) Ref[illegible] I it was agreed vide memo dated 5 Jan

1) The q[uestion] of prospecting licenses for manganese & chrome under the revised rules - new clause in flagged L.

2) In Govt file 133 of 1924 (now before Govt) the Dir was asked on 31.7.25 what his opinion was on the working of the profit-sharing policy of Govt & whether he considered a change of policy necessary in the light of experience so far - On 10.8.'25, the Dir (M B Jayaram) expressed himself that the present policy & the results were not of a promising character and considered that a change was certainly called for - He said that the matter required careful discussion & consideration before any change in poli

Serial No.

was effected — In that file on this report of the Dir the first member has minuted in Para 72 that the question of modifying the present scheme of Govt participation in net profits may await consideration till the end of Dec 1926

11 No separate report after this has been called for from the Dir nor is one due from him —

12 The Council file from which the above information has been gathered & noted, has been directed to be sent to the first M^r about the 15th of this month —

1st M^r) 11/1/26.

11.1

13) The Statements sent by the Dir covers no useful purpose & must be known what amount of one has been remitted by the licencees under the new Rules (in short 2nd proviso not first) as well as in addn to his usual royalty & any further payments have been made by the licencees towards his Govt share of the net profits how the system of Govt sharing in the net profits has been worked so far and what is shown by the Director is about the continuance or abandonment of the system The Director may be asked to submit a report on these points with a further

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat

3501

Geol File No. 56

App. F. III—2]

of 192 5?

Serial No.

16/1 Draft sent
Ms
12/1/26

3) To,
Director of Geology
M. 4701 4. 18/1/26
Calls for between with a forthwith a
revised Statement embodying the
points suggested

From B file
29/1/26

GEN. & REV. SECRETARIAT.
23 JAN 1926
INDUSTRIES & COMMERCE
BRANCH 4

From the Director of Geol.
No C/605-3 & 22/1/26
Submits a revised Statement of Output of minerals etc of the Licensee, together with his opinion on the working of the Govt sharing in the profits of the license, its continuance or discontinue

16) The SS was sent us govs the information required by the Govt Remember the only case in which the share of profits settled is that of Schomberg and the amount is Rs 2091-6-10

17) As regard the working of the profit sharing system, it is reported that the system is beset with many difficulties and is not liked by the licensees.

18) The Director of Opinion that the system may be discontinued and the royalty increased as a

General and Revenue Secretariat | Gen File No. 58 of 1925

Serial No.

sliding scale according to the grade of ore in terms of manganese, and a fixed scale for chrome

(4) He suggests also the grant of mining lease for 10 years

(5) Subj? for order (Refer Members minute 8/12/25 supra)

Ku 26/1

RSW) 21/1 Members

WP 27/1

275 28.1.26

WP 28/1.

4 28.1.26

WD 01264—GPB—10,000—17-12-25
[App. F. III—2

General and Revenue Secretariat

File No. 96 of 192

Serial No.

22) From a reply to the statement placed with the Director Geology & Mining Royalty has not been received on the basis quantity of minerals removed from the leases. Should not the royalty be recovered on basis and the Rules require it are any allowances be removed from when on the Rules on the point

24/1

23) Kind attention is invited to para 6 of G.O. No. D.C. 6625-37/4 Genl. 73-23-12 of 26.4.26, from which it is clear that the royalty should be collected on all the ore removed from the block even if it is not sold or raised 24) Please find u/c a copy of the 307/26 Rules 30/1

25) copy of the rules is available in the linked file (Flag Z)

26) Kind reply is invited to the Copy of the Rules (Flag Z) Cl of the Prospecting License from Govt No. D. 25 dated 24. (Para 6) The ore in question should not

24 H, Sheet

Serial No.

have been removed, before paying the royalty. The Dir^r may perhaps be asked to report on the point there are 3 cases in the St where the ore in raise to have been sold & removed, with out the royalty having been paid

RSa/7

1st member

31/1.2.26

27) A report on the point may be called for and Mr Jackson within a week

Jan 1/2/26

MM 2/2

28) Let draft

29/2/26 — 29) Apps

MM 3/2 Issue today

2/2/26

5) To,

Director of Geology

No. 5443 dt. 2.2.26

Calls for further details before the 7th instant as to how the ore in respect of items 1, 2, & 10 was allowed to be removed without the royalty having been collected as laid by G.O. No. 257/4/26.

From the Dir. of Rev

No. C/605-5 dt. 8.2.26

GEN. & REV. B'CH 4-FEB 1926 INDUSTRIES & COMMERCE BRANCH

Note—Contn. Sheet

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat

Rev. File No. 96 of 1925

Serial No.

Submits the report called for on N.5 in the matter of recovery of royalty

31) Para 2 Suggestion in the matter of payments of royalties one month after the removal of the ore was not approved

32) Para 4 :- Reasons assigned for not giving effect to G.O. of 26/4/24 do not seem to be sound when the G.O. in the matter is clear ~~and the approval~~ proceedings to

33) Rules will prefer to para 27 of rules

10-2-26

9.2.26.

34) The Dy was not correct in having acted contrary to distinct orders, on the ground that Govt orders on his proposed amendment in that respect were not communicated to him & That the rules were under govt review

35, 1st. members

10/2

12/2

36) I wish to discuss the matter with the Dy in person when he may be written to accordingly to come & see me in my chambers at about 12 noon on Tuesday the 2nd March

1/3/26

1/3

NOTE—Contd. Sheet

WD 01264—GPB—40,000—17-12-25

4086

General and Revenue Secretariat | Geol File No. 96 of 1925.

Serial No

37) Dated with a draft D.O
18/2/26

38) Issue
18/2/26

No 3 C. 5759 dd 19.2.26
To the Dir. of Geol
Requested him to see the I
member on 2.3.26 at 12 noon

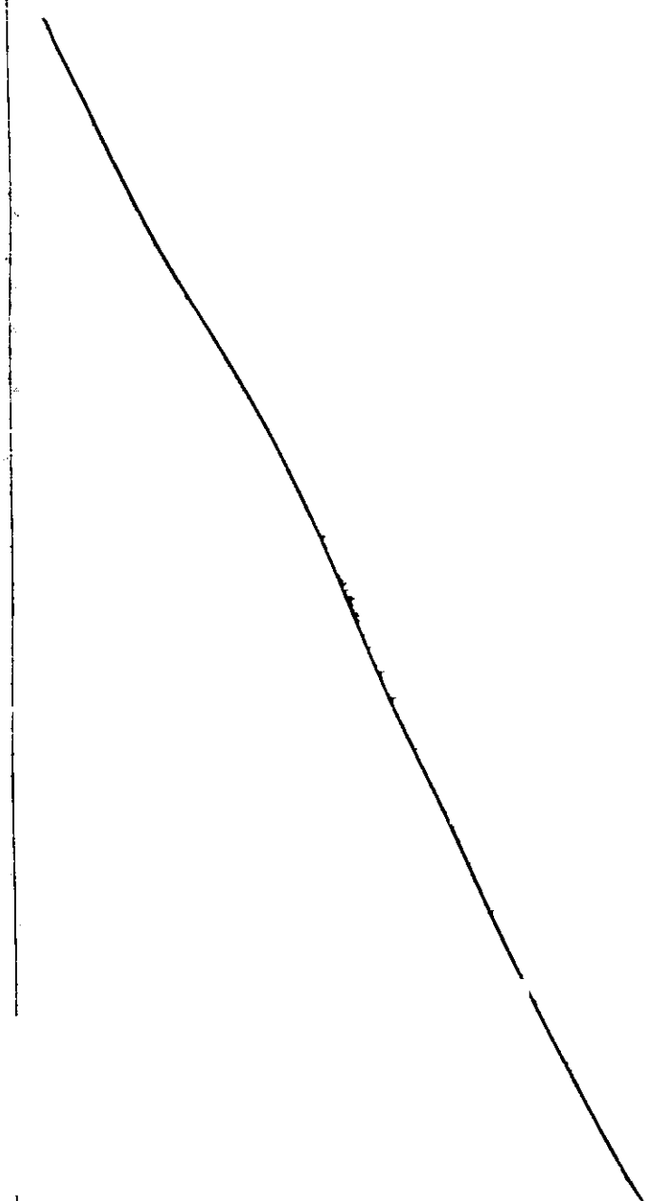
(11

Genl 96-25

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]



39) Genl. misc Genl. 96-25
(linked with Genl. 133 & 145
24-25)

20
20/2/26

40) ? A to 1st Mr
write Compile

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

41) Returned herewith with the Rewards D.O letter No 1750/1961 cft and Asst Member reply thereto. Also file marked "Rewards" to which Secy's enquiries returned to me on the 3. Previous for submission to Member

22/2

Also file of D.C. Borough Commissioner

M

22 FEB 1926
INDUSTRIES & COMMERCE BRANCH.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat

Ecdl File No. 96 of 1925

Serial No.

42) The enclosure slip together with the D.O. from the Dewan (to the I Member) received back from the I Member's Sects & Subd for perusal (Vide para 41 on page 12)

22/2/26 Rev Sec

WP 23/2

43) Dewan)

h 25/2

WP 24/2

44) Secy

WP 25/2

D. O. No. I. C. 595) To the Dist of Ecdl. states that as the Member will be busy with the Legis Council meetings on the 2nd he will not be able to have a personal interview & that the Dist would be informed again in the matter

45) Resubmitted for orders. (on what point?)

WP 2/3/26

WP 2/3

46) The file has to be put to the Member for fixing the date of interview (Please see para 41 - p. 12)

WP 3/3/26

47) First mt)

WP 3/3

83/91) 48) I had a talk with Mr Sen about the matter today. He proposes to have a meeting of the Chairmen, managers, heads of Sen Estates on this subject on the 9th

—Contn. Sheet

OFFICE. 24 FEB. 1926 No. 6269

Serial No

[illegible] 12/3/26

GEN. & REV. SECRETARIAT
12 MAR 1926
INDUSTRIES & COMMERCE BRANCH.

[illegible]

49) Referee — Para 48 above
filed for orders
12/3/26 [illegible] First Mr)

624/203

57) I discuss the question of the revision of the present system (of fixed charges on the profits of licensees) as a means of the margarine + chemical licensees but as a result of the Dr's findings in his 13th Rpt

52) The several alternatives discussed were
(1) continuing the present system of fixed charges on profits of the licensees
(2) Prescribing sliding scale of royalty based on (1) the price of the oil
(2) the market price of the oil
(3) Raising the present fixed rates of royalty + prescribing a fresh higher rate instead of a sliding scale

53) After discussing with the licensees + others interested in the industry the Govt

hoet

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Ger. File No. 96 of 192 5

Serial No

cons of the several alternative proposals

54) I have been obliged to come to the conclusion that the present system & for showing on the people of the licensee is perhaps the least objectionable and the most advantageous to Govt

55) The objections to present system are

(1) that there are practical difficulties in obtaining correct accounts from the licensees (This from the Govt standpoint

(2) that while the ~~licensee~~ Govt takes to ~~buy~~ a share of the profit ~~of~~ on Govt sum which profits are made they does share the losses sustained by licensees in bad years or which the business worked at a loss (This is from the licensees standpoint)

56) With regard to (i) the cases of mess Schomberg Drescher both & where the former's accounts showing substantial profits which the Govt may share with them show that the practical difficulties ~~in the way of~~ of obtaining correct accounts from the licensees are not so great as to justify the condemnation of the system - particularly in the absence of a decided better system more equally advantageous to Govt

57) With regard to (ii) there is no doubt

NOTE.—Contn. Sheet

General and Revenue Secretariat

Ger File No. 96

[App. F. III—2 of 192 5

Serial No

Some [illegible] in the representation of the licensees in this respect But as in the case of the income tax where the assessee [illegible] on the strength of Each year inspection of the [illegible] has to be [illegible] in the preceding or Succeeding years) we have to draw the line somewhere for some period for the calculation of the Gross Share of the [illegible] people of the Country and I think the present system of calculating the profits annually for the renewal of Gold Share thereof may work continue

58) The next point for consideration is that of the issue of mining leases to the holders of prospecting licenses under the present system

59) In the interest of the Govt as well as the licensee I think this provision should be made for the issue of mining leases to the licensee as otherwise they cannot be expected to work any large sums on their holdings with a view to work them successfully I would therefore suggest that provision may be made for the issue of mining leases to the holders of prospecting licenses for a period not exceeding 10 years subject to the same conditions [illegible] as to payment of a share of profits as [illegible] that prescribed for prospecting licenses in respect of

—Contn. Sheet

General and Revenue Secretariat | File No. 96 | [App. F. III— of 1925.

Serial No

In payment of the stamp & the amount paid for

dr
19/3/26

Dewan

WD 20/3

WD 20/3

This an empty file when Sahay is there any case in Council, the Ind Board of the Eco Conf

LJ

dr 23.3

1st Mr

707 26.3

(1) I don't think there is any case in Sri consulting the Industries Board in Economic Conference though I. Board has no objection if any the Dewan may be

(2) The question may be discussed as in matter of the Conference of the Dewan Engineers & Co

dr 27/3

(3) Mysore Legislature Dewan for Council

WD 30/3 29.3

in C Mines & Geology Department has Economic Conference should be held

OFFICE MAR. 1926

NOTE—Contn. Sheet

WD 01361 —GPB—40,000—17-12-25

App. F. III—2J

General and Revenue Secretariat

GAR File No. 96 of 1926

Serial No.

Some money
b(i) Interest may be asked
to be granted

b(ii) The letter of the Indian
Trade Agency
might be consulted

b(iii) The letter dated 6th September
should may be called
for by the Govt
of India

b(iv) Also vide separate note attached

By order
Sd PSW
7.4.26.

Chief Secy with Compts)

Read by 3 Pm
7/4/26

(For Disposal at a Meeting)

No. C. 455
of 1925-6

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule)

Policy in regard to Mining Developments in Mysore.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

7th April 1926.

Extraordinary Member of Council.

2/6/7.4 **First Member of Council.**

8/7/4 **Second Member of Council.** 9.4.26

Extra Member of Council.

G. S. III-2a]

DEWAN'S MINUTE.

General and Revenue Secretariat Gen'l File No. 96 1925

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

Mining Developments in Mysore.

68) There are only two important orders governing the policy which Government have followed for the grant of prospecting licenses and mining leases for the minerals of manganese and chrome ores. In the order of 29th January 1923, Government directed that manganese and chrome ores be reserved through out the State. This reservation was, however relaxed subj to certain conditions both in the case of manganese and chrome in 1924. The order relating to manganese is dated the 4th October 1924 while that relating to chrome, is 26th February 1924. Under these rules, only prospecting licens will be given, renewable from year to year on the applicati of the licensees for a period not exceeding 3 years but wi out the right to a mining lease. Government are entitled the first refusal of any quantity of the output of the min ral which may be required by them for industrial purposes. Another important condition was that in addition to royalt and other fees, now in force, the licensee shall also pay to Government 25% of the net profits in accordance with su rules as may be prescribed by Government. These are the main features and the rules now in force regarding the ex ploitation of these minerals.

69) The considerations which led to a modification of th original policy of reservation and the adoption of the ne policy of partial reservation are as follows:

GS- GPE--600- 2-5-23

DEWAN'S MINUTE.

General and Revenue Secretariat Genl File No. 96 192 S

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

70/ On the 21st December 1923 the Private Secretary to His Highness the Maharaja, wrote to the Dewan that in view of th large demand for manganese and chrome in foreign market, His Highness was of opinion that if these mines are worked under State supervision, Government would be able to make large profits. He therefore suggested that the proposals to throw open the mines to the public, may be held in abeyance until proper investigations were carried out to see how far the suggestions could be acted upon. The Dewan in his reply referred to the Notification reserving these minerals exclusiv ly for the State and at the same time, gave it as his opinion that although he was aware at that present moment that exploration for export purposes would bring in a considerable amount of money, he was on theoretical and practical grounds not in favour of the State directly working the mines and selling the minerals for profit for purposes of export. This procedure would be going totally against the policy of leavir the whole question to private enterprise which has been the policy in the past. He said that there would be justification for such a procedure only when such minerals are required by the State for the purpose of pioneering or developing any industries locally. He therefore suggested that the only course open for Government, was to give special licenses to private individuals for export purposes up to a certain limit on condition that in view of the high market rates prevailing, they should pay a higher rate of royalty.

DEWAN'S MINUTE.

General and Revenue Secretariat Red File No. 96 1928

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

71) The then Second Member who was in charge of this port-folio agreed with the Dewan in this view both on principle as well as on practical grounds, as the management of such concerns does not conduce either to economy or efficiency a as there is always an element of risk and speculation in th business. He was however of opinion that as the object of Government in passing the reservation order was primarily f making use of these minerals for the Bhadravati Iron Works and in view of the large demand from private individuals fo the extraction of these minerals, he was contemplating to s up a proposal to relax the rules to a certain extent making provision to secure to Government a certain percentage of t net profits in addition to royalty and other fees. The pre sent rules for partial relaxation of the reservation were then formulated and sent to His Highness for approval. In approving these rules, His Highness directed that enquries may be made with a view to see whether it was possible to form a Board or Company for exploring manganese and chrome. His Highness was of opinion that if Government gave necessa encouragement such a Company could be formed for exploring these two minerals and the Government might also claim a substantial portion of the profits of the Company without spending any money of its own. His Highness also suggested that a person in whom Government have confidence like Sir K.P.Puttanna Chetty or Mr.Vardhamanaiya may be put on the Directorate of the Company. Efforts were then made in this direction and in connection with the disposal of the questi relating to Byrapur block, proposals were invited from the

2

J. S. III-2a]

DEWAN'S MINUTE.

General and Revenue Secretariat Genl File No. 96 1923

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

public for the formation of a Joint Stock Company. Several applications were received as given in the margin. In a D.O. to the Dewan the Second Member discussing the proposals of Mr.Manickvelu Modaliar stated that he was inclined t prefer a Company being formed by experienced and influential men with prope financial backing to individual privat persons, provided the Company was pre pared to offer to Government a considerable return either in the shape of certain portion of the net profits or certain interest in the Company in the shape of fully paid shares so that Government should have an effective voice in their management. The Dewan agreed in this view and asked for definite proposals for consideration in Council in his D.O. of 19th April 1924. In the maantime the Private Secre tary to His Highness, in inviting the Dewan s attention to some correspondance in the Daily Post, enquired whether the was anything in the suggestions made therein, one of which was to increase the royalty consistently with the profits accruing from the industry. The Dewan promised to submit definite proposals for His Highness consideration, after considering all the proposals which were being received from certain capitalists regarding the floatation of a Company. In the meantime Mr.Bocquet, the Chief Mining Inspector was deputed to inspect all the chrome areas in the State and submit a report. His conclusions were that the action of

*
1. The Mysore Chromite Company.
2. Messrs Manickavelu & Son.
3. Mysore Development Syndicate.
4. Messrs T. Saranaya Chetty & Desai.
5. & B Rangappa Srigiri Ranjappa
6. " C. M. Gundachar etc.

23

G. S. III-2a]

DEWAN'S MINUTE.

General and Revenue Secretariat — Ref. File No. 96 — 1925.

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

Government in having relaxed the reservation has undoubtedly given the chrome ore industry, an impetus which with judicious handling might be profitably fostered; but it did not appear advisable, to him, for Government to embark on any scheme which might involve considerable sums of money owing to the fact that the boom in the industry may only last a short time. On the other hand he was of opinion that a monopoly to work on a larger scale for increasing the output might be given to a Joint Stock Company and that royalty may be recovered based on a sliding scale according to the grade of the ore and the price obtained. All facilities could be given to such a group and methods of transport improved, so that a larger proportion of the ore could reach rail head. The most promising and easily worked deposits in the State are those occuring in the Nuggihalli schist the Chennarayapatna and Arasikere Taluks and of these the two most important blocks/adjoining each other. The latter were the Byrapur and Bhakterahalli blocks is in the possession of Mr.Manickvelu Modaliar with a mining lease covering 30 years As regards manganese ore, the Workington Steel Company made certain proposals in regard to partnership with Government for working the areas outside their present lease on the 3rd September 1924. All these questions were referred to the Second Member for bringing up definite proposals for the issue of orders without further delay. As regards applications for chrome, there was a keen competion among several applicants for Byrapur block alone, giving tenders of certain terms for

WD 1928- GPB—500- 2-5-28

G. S. III-2a]

DEWAN'S MINUTE.

General and Revenue Secretariat Rev File No. 96 1925.

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

the formation of a Joint Stock Company or Syndicate to mine chrome at this block and asking for concessions. The applications received in this behalf however were found on examination to be unacceptable and it was resolved in Council - that the block should be reserved to Government for the present and the question of placing Mr. Sen on special duty for making survey of manganese and chrome at the disposal of Government should be further investigated. For various reasons it was thought inadvisable to start work at this block departmentally and the best and most promising blocks were ordered to be thoroughly examined with a view to ascertain their possible contents in respect of quality as well as quantity. A sum of Rs. 5,000 was also sanctioned for this work in Government Order dated 27th January 1925. As regards manganese the proposals of the Workington Steel Company were decided on different considerations. Their offer of 25% of net profits tendered at the Dewan's suggestion was refused. Government in consideration of the fact that this Company was the pioneer of the manganese industry in the State sanctioned the grant of prospecting license for manganese over the areas on which the Government have recognised their preferential claims in the past, on payment of the prescribed rates of royalty alone without any additional percentage of net profits as required under the new rules. It was however reserved to Government to raise the rates of royalty from time to time as they thought fit.

DEWAN'S MINUTE.

General and Revenue Secretariat — File No. 96 — 192 5

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

72) Thus the attempts made for the formation of a Joint Stock Company were found to be ineffectual. The results of the new profit sharing system were examined in January 1926 and found to be very disappointing. The system was full of difficulties as the licensees did not keep proper accounts. No payment has been received so far towards the Government share of net profits. Only one licensee, Mr. Schomburg, has submitted his accounts to the end of June 1925 showing a rea lisation of some profit. The Director is of opinion that the system may be discontinued and the royalty increased on a sliding scale. The whole question was therefore discussed by the First Member with the Director and some of the manganese and chrome liscensees in his office on the 13th of March 1926. The several alteratives to the present system discussed on the occasion were the following:

1. Continuing the present system of Government sharing in the profits of the licensees.
2. Prescribing a sliding scale of royalties based on the grade of the ore and the market price realised.
3. Raising the present rates of royalty and prescribing a flat rate instead of a sliding scale.

73) The Member is of opinion that the present system of profit sharing is the least objectionable and the most advantageous to Government.

74) Another point for consideration was the issue of mining leases to the holders of prospecting licenses in the present system. The Member recommends that provision may be made for the issue of mining leases to the holders of prospecting licenses for a period not exceeding 10 years subject to the same

WD 1938—GPB—500—2-5-28

26

G. S. III-2a]

DEWAN'S MINUTE.

General and Revenue Secretariat Genl File No. 96 1925

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

conditions as those prescribed for prospecting linceses in respect of the payment of the share of annual profit to Government He holds this view in consideration of the fact that otherwise the present licensees will not be induced to sink capital in their industries, without which no large profits can accrue.

5) The Dewan has minuted that the file may be brought up for consideration in Council as there is a large demand from Europe and Government ought to make some money

The issues for decision are the following:

1) Whether our present experience warrants the continuance of the present profit sharing policy.

2) Whether a sliding or fixed rate of enhanced royalty would be preferable.

3) Whether our best areas should be taken up for development on behalf of Government by discussing the subject with all the vested interests existing in the State at present.

4) What steps should be taken to open out unworked areas which contain high grade chrome and manganese

5) What steps to be taken to develop silver and copper deposits in the State.

6) In this connection the recent applications from Messrs: Singri Nanjappa and Manickvelu Modaliar may also be considered discussed. Correspondence with the German Consul at Calcutta is also put up. May be brought up at an early meeting of the Council at which the Director of Geology and Mr.Bocquet should be asked to be present.

By order
Private Secy to Dewan
7.4.26.

7) Chief Secy with Cumptly

WD 1938—GPB—500—2-5-23

U3in 506 5072 27

C455

3) Subject. - 16

78) Policy in regard to Mining Developments in Mysore.

...

OPINION OF THE COUNCIL.

WR

79) Lessees may be under G a certain if any scheme can be worked on the basis that the lessee guarantee a minimum to be paid G them each year and instead a certain royalty they will be given right G extract the mineral any part stipulated and the rental for them for a period of 365 years

A
15/4/15

1st Number

A
18/4/15

80) Draft letter to Govt of India

2 portions of the Mysore Mines Act 1906 and its amendment

82) Draft amendment of Mysore Mines Act

657/234

A
23/4/15 Draft rec'd for consideration
First Mtg.)

WR 20/22/4

WR 19/4

A
19/4/15

WD 01364—GPB—40,000—17-12-25

Serial No.

~~84~~

9) To, Dir of Geology
no 7418—M. 86/4/26

Enquires whether any persons wd. be prepared to guarantee a min. output & a min. royalty if they are given exclusive rights in respect of Chrome & manganese ore a taluk or any specified area for a period of about 3 to 5 years

No reply has been rec'd. yet

8) 18/5 reminder is submitted for approval or other orders

18/5 VS 84) Diff appd 18/5 Issue

Issued no 2.C. 7938 of 19.5.26

85) VS 18/5/26

86) No reply has been received from the Dir. A reminder has also been issued on the point

87) for orders

20/5/26 (Rev Sec) 21/5

88) Please put up a letter to the Director of Geology that I should be glad to discuss the subject with him at his early convenience & ascertain when he can find time either here or at his office

Serial No.

A Scn (referred to in para 3 of p. 44) have been separately filed. for orders

8-6-26

92) The subject requires further discussion

R. Sec[y]

8/6/26

93) The letters received by the Director in response to this inquiry whether the men in his business are prepared to work under the terms suggested in Govt. Para 79 show that the terms are not acceptable to them. It is only in Singareni Nanjappa that is apparently willing to accept the terms provided he is allowed to work the Papagni Lease.

The application of B. Peters which also seems to come under the terms proposed does not appear to be a case of mere mining maybe considered separately

94) The letters seem to point to the following conclusions :- (1) The period of lease 3 to 5 years is not acceptable to the men who are actually in the business as the division of profits is not also looked upon with favour

95) It would also seem that the present rules, claiming 25% profits on a year to year lease has largely disorganised the mining industry in the state. [illegible]

WD 1261—GPB—40,000—17-12

General and Revenue Secretariat

Geol File No. 96 of 1925

Serial No.

96) There are at present three alternatives before Govt

(1) Abolish the rule relating to the division of the profits and increase the rate of royalty, if need be and revert to the old practice of granting mining leases for long periods 20 or 30 yrs

(2). Retain the present rule about the division of profits but extend the period of the lease to a longer period ie 10 to 20 years.

(3) The Govt to work some of the proved mines. The only reasons against Govt undertaking industrial work are (i) risks run are malarial and (ii). Govt work will be expensive and inefficient The first objection does not hold in regard to Chrome mining at least for some years There is a certain market at Rs 30 per ton at the ports and a profit of Rs 7 to 10 maybe expected In regard to the second objection efficient economical methods maybe introduced if a Board of management as at Bhadrawati is appointed to carry on the work. At Bhadrawati about 30,000 tons of iron ore are mined under conditions which are harder than are likely to be met with anywhere in regard to Chrome or manganese and the work is done so efficiently as to command the unstinted admiration of mining experts who have visited Kemmangundi

CRD

12.6.26

97) (2nd member) I think the opinion of the Govt Dr has been asked for on the points discussed in this file. Other may be verified and if not been called for, it may be awaited. — Smith 13/6/26 Please Bring up on 27/7/26

Seen thanks WB 7/7

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat | Geol File No. 96 of 1926

Serial No

12 From the Secy. E. C.
No. 459 of 3.8.26
Forwards a copy each of the Progs of the last Sub Committee & the Board which contain the discussions ~~relating to the subject~~ at the meeting

107) Also with reference to para 100 of Rules

7.8.26 RSeW) 7/8/26

108) A Copy of the Proceedings of the Imperial Board on this subject is enclosed Perhaps the Directors may be asked if he has made enquiries as to the practice in British Empire as suggested in a Resolution (Para 2) in the Proceedings

2nd member) 7.8.26.

109) Yes

10/8/26

110) draft sd

111) Appd (Please keep f/c in file)

10/8/26

12/8 112) Issue

To,
The Dir. of Geol
No 1082 dt. 12/8/26

Reports to respond on the enquiries made by him, if any, re levy of royalty on manganese & chrome & other minerals, how the revenue is shared etc.

OFFICE OF THE SECOND MEMBER OF COUNCIL
9 AUG. 1926
No. 1028

GEN. & REV. SECRETARIAT
16 AUG 1926
INDUSTRIES & COMMERCE BRANCH

NOTE—Contn. Sheet

WD 01264—GPB—40,000—17-12-25
[App. F. III—2

General and Revenue Secretariat | Ecst File No. 96 of 192 S

Serial No.

14

From the Dir of Ecst
No 859-2 & 18-8-26
furnishes the report called for in
Sc. 13.
Refers:- Paras 10 8+109 of Notes
113) for orders.
20/25/8/26. R Secy) WD 27/8/26

OFFICE OF THE SECOND MEMBER OF COUNCIL
30 AUG. 1926
No. 165 P.

CPro
29.8.26.

2nd member)
114) The recommendation of the Jt Secy WD 30/8
in this matter may be awaited the
Bd may be asked to expedite
Mudi
31. 8th Feb.

P.S. Is it possible get the rules of
115) any other country in which chrome
and manganese are worked - Say
Rhodesia ?
Mudi

116) Ass Secy to Bruce up
CPro.
31.8.26
117) See the Secy
WD
31/8

118) Re- para 114 Draft Ltr
119) 115 No information except
what is contained in p. 30 of the
printed collection put up herewith
is available in the G.R.S.
120) the Dir A telephone message
has also been sent to the Ecst Office to
send copies of rules req to attend

R

NOTE—Contn. Sheet

Serial No.

Sir Brief 157 9/26.
GEN. & REV. SECRETARIAT 30/9/26
6-SEP 1926
INDUSTRIES & COM BRANCH.

countries as far as they were available

MG 4.9.26 VS 121) Come to us

To,

Secretary Govt. Ec. Cmte

No. 1565 G. 4/9/26

Calls for the recommendation of the Bd. on the resolution of the Bd. of Ste. Land at its meeting on the subj of Royalty on manganese, Chrome etc.

From

The Secy. E. C.

No. 842 of 17-9-26

Forwards copy of letter from the Secy. to the Board of Ste stating that the subject of royalty on Manganese & Chrome mines was considered at the last meeting of the Board & their resolution duly communicated

122) Subd. for perusal

MG 21/9/26 VS 123) The resolution of the Board may be awaited

Refe Para 115.

124) The largest producers of chrome are Rhodesia & New Caledonia Before the War, they used to contribute 90 towards the world's supply of this mineral

125) The chief producers of manganese are Russia, India, Brazil & West Africa.

Serial No.

I have put up a copy of the Mines + Minerals Ordinance 1903, Southern Rhode as well as a printed monograph on Chromium Ore, by W.G Rumbold of the Imperial Institute of London for perma and reference.

RSeth) WP 22/9/26.

W Records. with the Rep. with the file RD

126) There is no information here papers relating to ~~the~~ royalty except in section 44 & where the proportion of royalty is specified as 2½ P.c

127) Put up ~~papers~~ with ~~Radam~~ views of the Board. if received otherwise kindly ascertain when they maybe expected

GDN 31.12.2

WP 3/1/27

128) Draft put up.

RD 4/1/27 128) Appd Issue WP 6/1

Reminder issued vide D 5209 of 7.1.27 from the Leg. E. C

GEN. & REVENUE SECRETARIAT DEVELOPMENT BRANCH

forwards letter no 632 of 13.1.27 of the Secy, Board of Soc to the Secy E. C. stating that the file/reet has been referred back to the Mineral Sub Committee for

WD 01228—GPB—37,500—1-9-26

General and Revenue Secretariat | Ecl File No 96 of 1925

Serial No.

further investigation & that thereafter reports will be communicated to Govt on receipt in the E C Sects. file

130) This note should be sent to the Govt. Section of the Secy Rr for note & return

(Sd) V V
18/1/27

File noted. to E.C. Secy's office. (Sd) J.V.V

131) For perusal
19.1.27 (Sec'y D)

132) The subject is proposed to be considered at the next meeting of the Board
24/1/27

24/1

133) The report on the meeting may be awaited
CRs
26/1/27
26/1

5/2/27

15 From the Secy. Bd. of I & C to the Secy. E. C.
No. 1078 dy 10.6.27
Communicates the resolution passed by the Board at their meeting held on 1.6.27 re profit sharing in addn to royalty

GEN. & REV. SECRETARIAT
26 JAN. 1927
DEVELOPMENT BRANCH.

Sent to E C
24/6/27.

134) Reference to paras 114 (Page 34) & 127 (Page 36) of notes

135) The Board is not in favour of recovery of share profits but

sb 51

General and Revenue. Secretariat. Esl File No. 96 of 1925.

Serial No.

on the other hand they say that royalty should be fixed with regard to the quality of ore and other circumstances In case the recommendation is agreeable to Govt § 02 of 26.2.24 & 16.10.24 and the existing rates of royalty require modification

136) ~~For orders~~

2576/27 137) Please let me have a statement showing the current licenses (& leases, & any) for manganese & chrome when they expire

Ref 27/10

138) Copy of statement put up (Flag Z)

2876/27 139) 140) Kind attn is invited to the Statement of leases licenses current, for particulars regarding the manganese chrome leases & licenses that are now in force Govt have, for a short time past, adopted the policy of reserving all manganese & chrome blocks ie such as have not been already granted in the State

Flag Z (put up)

141) It is only in respect of manganese chrome that the Govt have introduced the system

collection of rates in G.I.

General and Revenue Secretariat. | File No. 96 of 1925

Serial No.

of profit-sharing This scheme is viewed with great disfavour by the mining lessees and prospectors as a serious handicap to them in their enterprise The Board of I+C who considered this matter, have now expressed their disapproval of the scheme and are of opinion that the proper return which the Govt ought to expect from the mining activities in the State, should be the royalty - the rates of such royalty being fixed with refce to the quality of ore and other circumstances of each case The scheme in question was introduced in the latter part of 1924: and the share of profits which the Govt have actually realised has been small out of all proportion to the volume of opposition from the mine owners (42) The points for consideration now are —

a) Now that manganese & chrome (fresh blocks) have been practically reserved is it necessary to order any change either in the policy of profit-sharing by the Govt or in the rates of royalty leviable on these minerals?

b) If such a change is necessary, is it desirable to abolish the profit-sharing scheme, and to substitute in its place — an enhanced rate of royalty — either a flat rate or on a sliding

NOTE—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

Serial No.

Scale ?

(42) ? How would such a change if any, affect the terms and conditions of the leases and licenses now current ?

(43) Sec^d for orders with previous refs.
Sec^t D)
WG
29/6/27

(44) The Dir^r of Geo may be consulted
U.O. 4
WG
8/7/27

(45) Forwarded unofficially with comments to the Director of Geology for favour of remarks
180
Munro Lobo
for Secy to Govt
Dev Depts
8/7/27

U.O. no. 5-27
dated 8.7.27

R. Dis No 2/27—28

ordered to be kept by a the meeting (unstarred) meeting is over.
The papers are therefore referred to
28/7/27

(46) I am not in favour of this Project Scheme Royalty on manganese ore output can be enhanced only after taking into consideration the existing conditions such as grade of ore mined mode of occurrence & exploitation At present the manganese market is dull & it is not advisable to enhance royalty rates

(47) The rules require revision & this work be taken up soon. Until such time the existing rules

Chrome & Manganese ore may continue
M Sampathayya
3.8.27
Director of Geology

50 Advance receipt of Rs 618 from Director of Geology

GEN. & REV. SECRETARIAT'S BRANCH
AUG. 1927

2^d Member (Mr)
I agree
Rs 618 Ordered
WG 6.8.27
5.8.27

140 A

NOTE- Contn. Sheet

OFFICE OF THE SECOND MEMBER OF COUNCIL
5 AUG. 1927
No. 785

MYSORE GEOLOGICAL DEPARTMENT
RECD. NO. 2040
AUG. 4 1927

App. F. III—2]

General and Revenue Secretariat. Gen File No. 96 of 192 S.

Serial No.	
	157) vide final orders in S.O No D. 13782-96/Gen.133-27-6 of 30-6-28 - Copy put up for ready reference
	158) No further action in the matter seems necessary & the papers may therefore be recorded
	20/1577/28 167.28

GEN. & REV. SECRETARIAT
25 JUL 1928
DEVELOPMENT COUNCIL

VI. Gl.]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 7/4/26

Signed by Mr B.S Iyengar

List of enclosures.....

Copied by.....

Examined by.....

Immediate

Section Genl.

File No. 96-25

Seria No. 1

No. 4560

To A. M. Sen Esq.

Dear Sir,

I am desired to request you to submit, once, for the information a statement showing the names of persons to whom prospecting licences for manganese and chrome have been issued under the revised rules, according to which 25% of the net profits is payable by the licensees.

Yours

for

14.4.26

over

WD 0562—GPB—31,000—17-8-25

28298

MYSORE GEOLOGICAL DEPARTMENT

Rev. C/605-1 Gen: 1 M. 3501

Bangalore 7-1-1926

COMMERCE

Geol. 96-25-2

GENL. & REV. SECTION G. D. SECTION 28 JAN 1926

Dear Sir,

As desired by you in D.O.No.I.C.4560/Geol.96-25-1 dated the 7th instant, I send you herewith a statement showing full particulars relating to the Prospecting Licenses granted for manganese and chrome under the revised rules of share profit condition.

Yours sincerely,

To-

B. Srinivasa Iyengar, Esq., B.A., B.L.

Revenue Secretary to Government.

Statement of Prospecting Licenses for manganese or chrome issued under the revised rules of share profit conditions

Sl. No	No of licence	Name of licensee	Mineral	Currency of licence	Particulars of block		Remarks
1	632/642	C. W. Schambach	Chrome	upto 11.4.26	Talur block. 16 sq. m.	Mysore Tk	1st Renewal 2 years
2	633/643	do	do	do	Nachanhalli 4 ..	...	do
3	637	J Burn	do	upto 25-11-25	Sunkadhalli 1 ..	Arsikere	Expired & Surrendered
4	638	do	do		Agrahara 4 ..	...	do
5	639/661	Pallagatti adavappa	do	upto 10.1.27	Kirapur-Kande 4 ..	Tarikere	1st Renewal 2 years
6	641	B. Sriyada Rao	do	upto 24-3-26	Tuppadhalli 4 ..	Hosakere & Tarikere	
7	644	Sirsi Nanjappa	Manganese	upto 24.2.26	Hatgal 1 ..	Chikmagalur & Tiptur	
8	646	Pallagatti adavappa	Chrome	upto 18.8.26	Gujagatti 4 ..	Tarikere	
9	647	Mrs Khan & Sons	do	upto 9-5-26	Doddahalli 2 ..	Mysore	
10	659	Chr Tressler	Manganese	upto 23.2.26	Sivaganga 1 ..	Hosakere	
11		do	do	do	Kashapur 4 ..	do	Permission to work has been granted licence has yet to issue

Bangalore
7th January 1926

A. M. Sams
Offg. director
Mysore Geological Dept

APP. F. VI. Gl.]

SUBJECT.....

.....

.....

Section - Geol

Diary No. of letter replied to.....

File No. 96-25

Seria No. 3

No. I.C. 4701

General and Revenue Secretariat

( )

the *192*

To The ~~Dir~~ Dir of Geol

Sir

Date of issue 18/11/26

Signed by M. N. A.

With ref^e to corr^s

pondence ending with your

letter No C/605-1 87 1-26, for-

warding a ^M showing the

prospecting licenses granted

for manganese and Chrome

under the revised rules of

share profit condition I

am directed to observe

that the statement sent up

now does not serve any

useful purpose I am

accordingly to request you

to

List of enclosures.....

Copied by.....

Examined by.....

over

WD 0562—GPE—31,000—17-8-25

5

be so good as to submit
within a fortnight, a report
on the following points:-

1) What amount gore has been
removed by the licensees
under the new Rules in
sharing of net profits with Govt

2) Whether in addition to the
usual royalty thereon,
any further payments
have been made by the
licensees towards the Govt
share of the net profits

3) how the system of sport
sharing in the net profits,
has been working so far

4) Your own opinion about
the continuance or otherwise
of the system

The matter may kindly
be treated as immediate

I have etc

R

Secretary to Govt

Geol. 96-25-4.

31536

No. C/605-3 Cur. 1 6

Dated, Bangalore, 22nd January 1926.

From

A. M. SEN, Esq., M.Sc., F.G.S, Etc.,
Offg. Director, Mysore Geological Department.

GEN. & REV. SECRETARIAT
GEN. 3376
23 JAN 1926
INDUSTRIES & COMMERCE
BRANCH.

GENL. & REV. SECTT.
BR.
23 JAN 1926
R. D. SECTION.

To

B. Srinivasa Iyengar, Esq. B.A.,
Secretary, to Government of
His Highness the Maharaja of Mysore,
Revenue Department.

Sir,

In compliance with your letter No:I.C.4701 Geol. 96-25-3, dated 13-1-26, I have the honour to submit herewith again a statement showing the persons to whom Prospecting Licenses are granted for manganese and chrome under the revised rules of profit sharing conditions with full information of output, removal and sale of the ores and royalty paid thereon compiled from the returns etc received so far.

2. No payment has been received so far towards the Government share of net profits. Mr.Schomburg has only last week submitted his accounts to end of June 1925 showing a realisation of some profits and stating that the Government share of 25% thereon would be remitted soon. The accounts are being subjected to scrutiny and when completed the amount payable to Government will be assessed and recovered

The accounts of Mr.C. M. Tresslor, manganese license are also being scrutinized.

Mr. ~~S.~~ Sangri Nanjappa has also effected some sale, but his accounts have not been received yet.

3. In reply to the query as to how the system of Government sharing in the net profits has worked so far, I beg to state as follows:-

i. The licensees do not keep proper accounts. It is very difficult to sift the complicated accounts and admit the legitimate charges.

ii. The auditing of the accounts being of an inquisitorial character is not at all appreciated by the licensees.

iii. A considerable amount of time has to be spent in this work by the officers of the Department.

4. The present system of sharing of net profits with Government is full of difficulties, especially with regard to correct accounts of working and the consequent computation of profits. It imposes to all appearance a considerable amount of hardship on the mining public whose business is more of a speculative nature, depending on so many uncertain factors. Unless the accounts are properly audited and all the expenses are kept within reasonable limits, for which constant auditing and supervision would be necessary, the sharing of profits might end in unsatisfactory result-

7

In my opinion the present system of sharing of net profits should be discontinued chiefly owing to the various difficulties experienced in computing the profits. But as it is necessary to have a larger revenue from the mineral resources of the state, the present rate of royalty on manganese may be proportionately increased on a sliding scale, according to the grade of the ore, and that of chrome may be increased on a fixed scale. If this suggestion is favourably considered by Government, details of such a scheme may be worked out on lines similar to those already submitted to Government by me in my D.O. letter No:2146, dated 19th June 1924, to the member of Council.

Vide para 10.1 in Fib 87-23

In this connection I beg to point out that the clause in the new rules against the granting of long licenses or leases prevents any opening out of a mine on a large scale as no good firm or party can seriously consider the laying out of the necessary capital for the working of manganese and chrome mines, if only a year to year license is to be granted for a maximum period of three years and without the right to a mining lease. I am of opinion - that this rule should also be modified and that a mining lease for 10 years may be granted to approved firms or parties, at the discretion of Government.

5. In the D.O. letter from the Revenue Secretary of 7th January a list of the licensees under the profit sharing conditions was required and no report of the working was called for, nor was the - purpose for which it was required indicated. Accordingly only a list was furnished and it is regretted that it served no useful - purpose.

I have the honour to be,
S i r,
Your most obedient servant,

Offg. Director,
Mysore Geological Department.

B.N.L/22.

[APP. F. VI. Gl.]

SUBJECT..... Minerals .....

.....

.....

Diary No. of letter replied to.....376.....

General and Revenue Secretariat

( )

the *192*

Date of issue.....2:7:26.....

Signed by.....MM.....

List of enclosures.....

Copied by.....

Examined by.....

Section Genl

File No. 96-25

Seria No. 5

No. I.C 5443

To the Dir. of Ecol

~~Sir~~ Sir

With reference to your letter no. C/605-3 & 22 1/26 forwarding a statement showing persons to whom prospecting licenses for manganese & chromite have been issued under the ~~new~~ rules of profit-sharing conditions ~~with information~~ for out put removed & sea of the respective areas together with the amount of royalty ~~paid~~ ~~in each case~~ I am

over

am directed to request you
to prepare for the information
of Govt ~~copy~~ copy the ord ~~order~~
~~forwarded~~ ~~herewith~~ ~~herewith~~ made absolved, in certain cases (Item No 1,2,7,10 & 11)
the persons from the
back without prejudice
to any other due therein as required
~~stipulated~~ in para 6 of G.O
No. 9.C.6625-37/Rev-73.2372
dt 25.6.74 The favour of
Reply ~~is required within~~ before
~~resp~~ the 7th instn requested

Shenoy

VP 2/xx
Reg bdl work
Rec'd

sd VS

Geol. 96-25-6

No. C/605-5 II

Dated, Bangalore, 8th Feb 1926

33853
GEN. & REV. SECRETARIAT
9 FEB 1926
INDUSTRIES & COMMERCE BRANCH.
minerals
GENL. & REV. SECTT.
8 FEB. 1926
G. D. SECTION.

From

A. M. SEN, Esq., M.Sc., F.G.S, Etc.,
Offg. Director, Mysore Geological Department.

D 4088

To

B. Srinivasa Iyengar, Esq., B.A., B.L.,
Revenue Secretary to the Government of
His Highness the Maharaja of Mysore.

Sir,

In reply to your letter I.C.5443/Geol.96-5, dated 2nd February 1926, enquiring how manganese and chrome ores were allowed to be removed under Prospecting licenses before recovering the royalty payable thereon as required in para 6 of G.C.No.I.C. 6625-37/Geol.73-23-12, dated 25-4-1924, I have the honour to state as follows:-

1. In the order referred to it was directed that royalty on ore should be collected when it was removed from the block and it was required that the clause in the license form should be modified accordingly. In pursuance of this necessary alterations and additions to the rules and forms were suggested and submitted to Government for approval with my letter No.1975, dated 17-5-1924.

2. Prospecting licenses carry with them the right to prospect, win and carry away minerals and ores subject to payment of royalties. To direct the payment of royalty before the removal of any ore was not a practical working proposition nor was it considered to be a desirable one and it was therefore suggested in the amendments that payments should be made one month after the removal of the ore from the block.

3. The approval of the Government of the suggested amendments was not received, but on 5-11-1924 in No.I.C.3049/Geol.20-23-12 and with reference to my letter of 17-5-1924 above referred to an exhaustive and up-to-date list of amendments to the rules was called for. In reply to the latter Mr.Jayaram requested in his

12

letter No.883, dated 6-12-1924 for an enunciation of a definite policy of Government and the matter rested there.

4. Since the acceptance of Government to tne amendment proposed regarding tne payment oi royalties was not communicated and as it was understood that the rules were being revised, licenses are being granted as before and the direction contained in para of the Government Order referred to has not yet been brought in vogue.

I have the honour to be,

Sir,

Your most obedient servant,

A. M. Lee

Offg. Director,
Mysore Geological Department.

M.R/5.

APP. F. VI. Gl.]

SUBJECT..

Section Ecd

File No. 96-25

Seria No.

Dis. No. Ic 5759 d/19/2/26

Diary No. of letter replied to 4086

To

General and Revenue Secretariat
( )
the 192

Date of issue 19/2/26

Signed by M. A. [illegible]

List of enclosures........

Copied by........

Examined by........

Dear Sir

With reference to your letter no. C/605-5 8.2.26 ~~[illegible]~~ sent a report in the matter allowing the licensees remove the ores of [illegible] from the blocks without recovering the royalty thereon as contemplated in para 6 of G.O. no. D.C. 6626-37/Ecd 73-23-2 of 25-4-24 I am desired ~~to request you to~~ [illegible]

over

WD 0562—GPB—31,000—17-8-25

to [illegible] state that the first
Member of Council would like I am
to discuss the matter with you ~~and~~ accordingly
to request you to kindly to
see ~~the~~ ~~[illegible]~~ me here

in his Chambers at the Public

Offices on Tuesday the 2nd

March 1926, at 12 noon

Yours sincerely

18/2/26

To A. M- Lea Esqr

D.O. No. 175

15

DEWAN OF MYSORE

BALLABROOIE,
HIGH GROUND,
BANGALORE.
19th February 1926

My dear Mr. Srinivasa Iyengar

I shall be obliged if you will go into the whole question of the mineral policy of Govern ment, with reference to tne orders issued last year for the grant of licenses to develop chrome and manganese annually, subject to renewal for three years on the profit sharing basis It is necessary that we should come to some definite conclusion with the experience already gained and either reverse that policy and give licenses to all on a higher royalty basis or continue it, or in the alternative, take over the development on behalf of Government by discussing it with all the vested interests existing in the State at present If you see no objection perhaps a few of them can oe called in and we may discuss the matter, yourself being present. If you will

kindly

kindly let me have your views in the matter after you have studied the whole question, I shall be obliged.

Yours sincerely

K.R. Srinivasa Iyengar, Esq., M.A.,
Member of Council, Bangalore.

20.2.26

(Dear Sir Bamfylde)

With reference to your letter of 19th inst I note the continuance or otherwise of the present policy of granting prospecting licences for manganese chrome or gold bearing lands to state that the Director of Education forwarded a report to me which was called for about the working of the present system having in his letter of 22nd Jan 1926 reported that the system is ~~not~~ it is shown by experience that the working of the system is beset with difficulties

especially in connection
with the keeping of the
records by the licensees
and the computation of
profits thereunder and that
the ~~raising~~ fixing of levy
of royalty on a diamond scale
according to the grade of the
ore would, in his opinion,
be a better system, &
considered it ~~necessary~~ desirable
to personally discuss
the question with the Dr
before formulating definite proposals
in the matter & have
accordingly asked ~~Sir~~ Mr
Lees to meet me on the
2nd proximo and after ~~further~~
discussing the question
with him & Rao I shall furnish
to you my views in the
matter

(Yours sincerely)

2/
20/

APP. F. VI.

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 12th March 1926

Signed by Mrs. B. A. Iyengar

List of enclosures.....

Copied by.....

Examined by.....

Section Genl

No. 96 (25

Seria No.

No. I.C 5957

To A M Sen Esq.

Dear Sir,

In continuation of my D.O. letter no. I.C.S Genl. 96-25 of 19th February 1926 requesting you to move the Members of Council on the 2nd March 1926 in connection with the discussion of the question of allowing liquor to persons manufactured for Medical purposes without recovering the royalty due thereon, I am desired to state that as the Member will be busy

over

WD 0562—GPB—31,000—17-8-25

with his legislature &c.
meeting on the 2nd, he will
not be able to attend upon
on that day. I shall write to
you again as to when you
may see the Marquis

Immediate

D 2866 Fde 182 b

GEN. SEC. REV. SECRETARIAT
1 MAR 1926
INDUSTRIES & COMMERCE BRANCH

Dear Sir Shastri

You are probably aware that the Rt. Hon. Sir Geo. Lloyd has been requested to wait on the Viceroy on Tuesday at 12 noon next 2nd March for discussing the question of the Press Act for licenses for cinemas (Vide Secl. 96 & 24) to the Leg. Council meets on Tuesday also it will not be possible for the Viceroy to receive the Director and discuss the question & request you therefore to bring to the notice of the Rt. Hon. Sir Geo. Lloyd intimating that the Viceroy need not wait on the Viceroy

Dear Headquarters communication
will be sent to them as to when
he can call

Yours Sincerely
M Hamann
Rx Asst to I Flanders

9 P. 187 12.2.26 23

MEMORANDUM OF INTERVIEW WITH THE DEWAN.

G.R.S. III—3]

Friday 19 FEB. 1926 192

[To be used only

Name of Interviewer— 24316

INDUSTRIES
19 FEB 1926
GEN. & RUV. SECTN.

Representation in brief—

File re
Chrome map
lease (annual)
& underhand
proposals
by the Indus
Engs

Reference to
Comptr
G
192

A/s. Dte.
Indus.

P/19/2

—Should routine note
the notes must b
this form.

25a

D.O.No.605-8.

MYSORE GEOLOGICAL DEPARTMENT

Bangalore 2nd March 1926

4 MAR 1926
INDUSTRIES & COMMERCE
BRANCH.

Dear Sir,

In acknowledging the receipt of your D.O.No.I.C. 5957(Geol.96-25), dated 1st March 1926, regarding the discussion with the members of the question of payment of royalty on ores before they are removed from the blocks I beg to inform you that I have arranged to go on Friday next to the Kolar District on an inspection tour and hope to return in about a week. It will therefore be convenient if the meeting can be arranged for Thursday the 4th instant or after my return during the latter part of next week.

14/2-3 Submitted to Hon'ble member

Yours sincerely,

A. Heron

2/3/26

B. Srinivasa Iyengar, Esquire, B.A., B.L.,
Secretary to Government,
Revenue Department.

C.N.

8.3.26 24

Dear Mr Secy,

Referring to your letter of yesterday to Rev Secretary you may kindly come over and see me at about 11.30 A.M. tomorrow morning in my chamber if convenient to you

Yours sincerely
L. K. Tiwari

25

(W 15)

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

OFFICE.
12 APR 1926

In the last para of the Dewan Saheb's minute dt 7.4.26 in Council file re Policy in regard to Mining Developments in Bijawar it is stated that the Correspondence with the German Consul at Calcutta (Exhibit regard to Mining) is put up in the file. The said Correspondence is not found in the file recd. with Dewan Saheb's order to bring up for Consideration in Council.

The Supdt., Dewan's Office is requested to kindly send the said Correspondence, if available, for placing it in the file.

10/4/26

To The Supdt, Dewan's Office with Compliments

The copies of letters required are enclosed.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Copy of letter dated Calcutta, the 17th March 1926, from Baron H. Rudt Von Collenburg, Consul General for Germany, Calcutta, to the Dewan of Mysore, Bangalore.

Some German firms being interested in the export of Manganese and chromite ore from India to Germany are anxious to get some particular information on the actual output of the Mines situated in Mysore and the quality of the produced ores. May I take the liberty to ask the favour of your kind assistance in order to get the necessary material as far as the State of Mysore is concerned?

Dewan's reply to the above, D.O. No. M.153/2 encls. dated the 27th March 1926.

In reply to your letter No. 1779 dated the 17th March 1926, I send herewith Bulletin No. 7 issued by the Mysore Geological Department giving full details of the mineral resources of the State. Pages 84 to 116 gives the information required by you relating to the manganese and chrome deposits up to 1914. I also enclose two statements giving the same information from 1915 to 1925.

No. C.3.
Enc. 1.

MYSORE GEOLOGICAL DEPARTMENT 27

~~Bangalore~~ (Camp) Robertsonpet 10th March 1926.
X.9.7.

Dear sir

I enclose herewith a copy of my letter to all holders of Certificate of Approval, Licenses and Leases in the State, inviting them to a meeting at my Office at Bangalore on Saturday the 13th instant at 3.30 P.M., to discuss about some of the most important rules affecting royalty etc. I have also stated as desired, that you are expected to be present at the meeting and I hope it will be convenient for you to do so.

I return to Bangalore tomorrow evening.

Yours sincerely,

K.R.Srinivasa Iyengar, Esquire, M.A.
1st Member of Council,

28

Letter No.717 Dated 5/6 March 1926, forwarded to all holders of Certificate of Approval, Licenses and Leases in the State.

As Government desire to know the views of all persons interested in the Mineral industries of the State on the working of the present rules for Licenses and Leases for Minerals in the Mysore State, especially with reference to royalty and other payments, removal of ores and any other points connected therewith, a meeting to discuss these subjects will be held in the Office of the Director, Mysore Geological Department Bangalore, on Saturday the 13th March 1926, at 3.30.P.M when your presence is requested. It is expected the H First Member of Council who is in the administrative charge of the Geological Department will be present at the meeting.

It is hoped you will find it convenient to attend the meeting.

"Copy"

Offg: Director,
Mysore Geological Department

APP. F. VI. Gl.]

SUBJECT.....

Confidential.

Section Estt
File No. 96-25.
Seria No. 9
No. 2e 74189 26/4/1926

Diary No. of letter replied to.....

General and Revenue Secretariat
( )
the *192*

Date of issue 26/4/1926

Signed by W. B. Sreenivasan

To The Dir of Geology

Sir,

In inviting your attention to the subject of the present policy of the Govt in regard to their participation in the net profits derived by the licensees in respect of ~~certain minerals~~ chrome manganese in the state & the subsequent discussions & correspondence thereon, I am directed to ~~a~~ enquire ~~whether~~ requisition ~~upon which any~~ ~~any scheme~~ can be worked, on the ~~guarantee~~ a minimum ~~royalty~~ ~~that the licensees guarantee a~~ ~~minimum output each year and a minimum~~ ~~minimum amount to be paid by them~~ each year, to the Govt, ~~the Govt surrender~~ ~~them~~ the right to extract the mineral

List of enclosures..... ~~Copies of~~ ~~reply~~

Copied by.....

Examined by.....

over

30

(change a marking near) ~~[illegible]~~ ca
in question) over a Taluk or the Smaller A.R.Y. Specified area

~~to be exclusively reserved for them~~ for a

period of, say, 3 to 5 years -

~~An Urgent~~ A very Early reply is requested in the matter -

Yours &c

24/4/26.

U.O. No.
for R.S.
20/4

Confidential. E 1/31

Geol. 96-25-10

M. G. D. 12.

No. 808—12 Encls. Table. Dated Bangalore, 3rd June 1926

GEN. & REGISTRY SECRETARIAT
4-JUN 1926
INDUSTRIES & COMMERCE
BRANCH

From

B. JAYA RAM, Esquire, F.C.S.,
Director, Mysore Geological Department.

To

C. Ranganatha Rao Saheb, Esq., B.A., B.L.,
Secretary to the Government of His
Highness the Maharaja of Mysore,
Revenue Department.

Sir,

With reference to your Confidential letter No.I.C. 7418 Geol/96-25-9, dated 26th April 1926, enquiring if there are any persons prepared to guarantee a minimum output and a minimum annual royalty to Government if they are given exclusive right to mine chrome or manganese over any specified area for a period of from 3 to 5 years, I have the honour to state that a letter of enquiry in the matter was sent to the marginally noted persons who have been mining lease or prospecting license holders, or applicants for licenses or holders of approval certificates, or otherwise interested in the mining of minerals in Mysore. In response to the enquiry replies have been received from 9 of the addressees as indicated in the marginal list and copies thereof are forwarded herewith for the information of Government with a statement showing the gist of the letters.

1. The United Steel Cos., Ltd.
2. The Peninsular Minerals Co.
3. Mr.V. Manickavelu Mudaliar,
4. Messrs. Oakley Duncan & Co.
5. -do- Oakley Bowden & Co.
6. Rao Bahadur D. Lakshmi Narayan,
7. Mr.A.H. Burrett,
8. Mr.C.M. Tresslor,
9. Mr.A. Pitchaiya Naidu,
10. Mr.Singri Nanjappa,
11. Mr.Pallagatti Adavappa,
12. Mr.C.W.Schomburg,
13. Tata Iron & Steel Co., Ltd.
14. Mr.J.C. Midford,
15. Mr.M.L. Vardhamaniah,
16. Mr.B. Sripada Rao,
17. Mr,C.M. Garuda Char,
18. Mr.E.H. Rushton,
19. Mr.B. Ivers,
20. Mr.Moganlal Velchand Shah,
21. Mr.M.O. Abdul Sattar.

2. It will be seen from the letters received that the present policy of Government in with-holding the right of a licensee to a mining lease and restricting the term of a licensee to a short period of from 3 to 5 years is opposed by most of the men in the business. The participation of profits with the Government is also not appreciated by the majority.

3. Mr. Manickavelu Mudaliar has not sent in his reply to our enquiry and it is presumed therefore that his scheme, dated 29th March 1926, for the working of the manganese deposits in the Districts of Shimoga & Chitaldrug, forwarded by Mr.Sen with his letter No.C/13. dated 11th April 1926, stands good for consideration So also in the case of chrome ore it is believed, there is his proposition for a monopoly in the Channarayapatna Taluk under the consideration of Government.

4. The Chairman of the Peninsular Minerals Co., of Mysore Ltd. in his letter, dated 15th May 1926, asked for some more time to send in his reply to our enquiry but has not yet sent one. A copy of it will be forwarded to Government when received.

5. The subject requires much more discussion and thought and final recommendations cannot be submitted until the Government and the Department come to an understanding on a definite policy to be adopted.

I have the honour to be,
Sir,
Your most obedient servant,

B Fayram.

Director,
Mysore Geological Department

M.R/3.

Replies received in answer to the enquiry calling for applications for monopoly rights over specified areas.

Name.	Mineral sought.	Abstract of letters.	Area specified.	Remarks.
Mr.B. Ivers.	Manganese.	Reports of an enquiry of 1500 tons of treated manganese ore per month which if supplied would bring in a revenue to Government of 58,500 Rs. per year, being the royalty at 12 as. per ton and 25% of profits.	No mention made.	Mr.Ivers has applied for a block of one square mile in Gubbi Taluk and the same has been recommended to Government. (Vide this office No.C.181-17, dated 28.4.26).
2. The United Steel Cos.Ltd.	Do.	Offers to give the maximum that the deposits would yield. The period to be long so that construction of new tram lines may be undertaken. Re- the sharing of net profits represents that low grade ores will not stand this. It is yet to be proved if high grade ores are obtainable.	13 mile radius round Ayanur with a guaranteed protection.	
3. Mr.L.H.Rushton.		Suggests that the tenure of a lease should be for a minimum of 10 years when only a licensee will be able to give any guarantees.		Mr.Rushton has been an applicant for some manganese blocks.
4.Mr.D.Lakshminarayan.	Chrome.	A minimum guarantee of 1000 tons per month. A. minimum royalty of Rs.12000 pe year. Period of lease to be 30 years with a right of renewal for a further term of 30 years. Rs.3/- per ton in lieu of profits	Block not specified. The guarantees made are all hypothetical; if the block is good, substantial, extensive. &c.	
5.Mr.Singri Nanjappa.	Chrome.	12000 tons per annum. Usual royalty with 30% of profits.	Byrapur Block.	

6.Messrs. Oakley, Duncan & Co.		Agrees with the comments of Messrs. Oakley Bowden & Co. and state they need no monopoly but would be satisfied with intensive prospecting where they consider the indications justify such work	
7.Messrs. Oakley, Bowden & Co.	Chrome.	States that it is not possible to give any guarantees for reasons indicated.	Mysore & Chennarayapatna Taluks.
8.Mr.C. W. Schomburg.		No guarantees can be given for reasons stated. 3 to 5 years concession is impossible.	
9.Mr. J. C. Midford.		Not very sanguine about the finding of high grade ores in Mysore. Is averse to profit sharing business.	

B. Fayen Dan

Director,
Mysore Geological Department.

Letter, dated 25th May 1926, from Mr.J.C. Midford,42, Midford Gardens, Bangalore, to the Offg.Director,Mysore Geological Department.

I must apologise for not having replied to your letter No.C/808-1 of the 29th April 1926, before the 15th instant as requested. It quite escaped my memory.

re. Chrome and Manganese ores in the Mysore State:- I am obliged to you for having given me an opportunity of submitting my offer with a view to work these two Minerals. If I am not too late in submitting my views I would say that I held three Prospecting Licenses for Manganese Ore in the year 1921, and I did some prospecting work and my experience was anything but promising as all the samples did not work out to more than 38% grade and the areas were revoked back to Government. With Chrome the prospects may be more promising but the possibilities of extracting large quantities of high grade Ore are very doubtful, and both these Minerals have become "Low grade propositions",and as such, it would not be to my advantage to make an offer to work them on the present adverse policy of your Government as no one would consent to share their profits with Government in addition to royalty at the rates in force at present. Unless this policy is entirely removed it is not possible to submit a scheme for the working of such deposits.

Copy.

B. Fagan
Director,
Mysore Geological Department.

C.N.

Letter, dated 25th May 1926, from Mr.J.C. Midford,42, Midford Gardens Bangalore, to the Offg.Director,Mysore Geological Department.

I must apologise for not having replied to your letter No.C/808-1 of the 29th April 1926, before the 15th instant as requested. It quite escaped my memory.

re. Chrome and Manganese ores in the Mysore State:- I am obliged to you for having given me an opportunity of submitting my offer with a view to work these two Minerals. If I am not too late in submitting my views I would say that I held three Prospecting Licenses for Manganese Ore in the year 1921, and I did some prospecting work and my experience was anything but promising as all the samples did not work out to more than 38% grade and the areas were revoked back to Government. With Chrome the prospects may be more promising but the possibilities of extracting large quantities of high grade Ore are very doubtful, and both these Minerals have become "Low grade propositions", and as such, it would not be to my advantage to make an offer to work them on the present adverse policy of your Government as no one would consent to share their profits with Government in addition to royalty at the rates in force at present. Unless this policy is entirely removed it is not possible to submit a scheme for the working of such deposits.

Copy.

B. Rangnekar
Director,
Mysore Geological Department.

C.N.

Letter, dated 15th May 1926, from Mr.C. W. Schomburg, Church Road, Mysore, to the Offg. Director, Mysore Geological Department.

I beg to acknowledge the receipt of your Circular letter dated the 2nd instant, where certain suggestions is set forth re: Mining of chrome and manganese over an area of 1 Taluk for the period of 3 to 5 years and also what guarantee of out-turn and guarantee of payments be given over 12 months

I beg to submit the following:-

It is a very difficult matter to give a guarantee of out-turn and guarantee of royalty. The question has to be considered in several lights.-

(1) I understand that a Taluk consists of between 4 to 500 square miles. To exploit this area and to find minerals would take some years and after finding the same it would take a very considerable time to prospect and find out the quality and the quantity of chrome or manganese It is only after that one gets an idea of what quality is in existence and how much can be mined and exported. Then the next consideration is the sale of the produce As you are well aware of it that there is a fluctuation in the market both in manganese and chrome

(2) Manganese:- At the present moment there is a good market for this but if the Russian manganese ore at Poti in the Black Sea would come in the market again it would be impossible to compete with Mysore or any Indian Manganese, and one does not know at what moment when this manganese may be thrown on the market again

(3) Chrome Ore:- As far as my knowledge goes this market is also a very unsteady market, although at the present moment the market for this ore is fairly good. To my knowledge India only supplies 10% of the required quantity of chrome ore in the world's

market

market; daily new chrome ores from other countries are thrown on the market which are of a higher percentage than the Indian or Mysore Chrome ore. Take for an instance the South Rhoesia Chrome ore - this ore is put in the market with a guarantee of 50% with rejection 48%. We here in Mysore cannot guarantee 50% with 48 rejection as South Rhodesia. The utmost we can do is 46% guarantee with 46 rejection.

Taking the above into consideration, it is almost impossible to give Government any guarantee of a minimum out-turn and a minimum payment of royalty. In the first instance the time specified in you letter 3 to 5 years concession is impossible. As stated already it takes a long time to exploit and prospect such area. The second consideration as stated above is that one has to rely upon the marke as one can never be sure. The scheme would be quite practicable if here in Mysore held the monopoly of manganese and chrome ore in the world's market but as shown above we have to compete with other countries. It would be therefore impossible to consider the Government's scheme under the above circumstances.

Copy.

B. Jagannam

Director,
Mysore Geological Department.

C.N.

Letter No.1059, dated 12th May 1926, from the Managing Agents, Mysore Chromite Ltd. 15, Armenian Street, Madras, to the Director, Mysore Geological Department.

In reply to your circular No.808 of 29th April, unfortunately we are not aware of any highly mineralised taluk in the Mysore State where there are not already several licensees or lessors at work and we should be glad to know whether Government's enquiry relates to taluks in which no such licenses are in existence or whether we are invited to make an offer ignoring all such vested interests.

2. With regard to guaranteeing a minimum output and to undertake to pay a minimum annual royalty, this we submit is almost impossible, consistently with commercial prudence in the light of our past experience for the following reasons:-

A. Uncertainty of market. There are periods of stagnation in the chrome market during which no sales can be effected such as that which existed from 1919/ to 1922. In other words a guaranteed minimum production is governed by a minimum consumption and as the mines can have no guarantee or control regarding consumption they cannot with safety guarantee output.

B. Uncertainty of Supply. The difficulty of estimating the probable minimum capacity of any taluk is very considerable and it would take probably 3 or 4 years in our opinion to make a reliable estimate unless very expensive and intensive prospecting was done. We would moreover point out that Government have been receiving information from the taluks of Chitaldrug and Tumkur district for manganese Mysore & Hassan for chrome for years and we doubt whether any Geologist would be able to forecast with any accuracy what quantity of saleable ore could be obtained from any Taluk.

C. The menace of competition from other sources of supply: The recent developments in South Africa where the Chrome Combine have

have it is alleged huge deposits sublet into the hands of wealthy contractors and the introduction of Greecian Ore for the low grade markets and still more recent competition of Cuban ore into the American market do not make for the security of the market for Indian chrome. In this connection we are advised only today by our American agents that last year the Cuban importation to America reached the figures of 30,000 tons, a serious aspect of these two sources of competition is that the America Trade Returns for 1923 show imports of Indian ore as 22,000 tons most of which was exported from Mysore whereas we think you will find that last year Mysore only supplied about 8000 tons 1924, 8,500, 1925 We also trust you will pardon our suggesting that such exclusive rights and protection would place the transport and labour in the hands of the concessionaire and would rid the business of healthy labour competition seeking that the State revenue derived is small and the more real advantage to the State is in good employment for the local labour and transport and the introduction of fresh capital we respectfully submit that all these would be adversely affected even by a small monopoly.

Our reply therefore is that while we should be glad to make an offer on the lines suggested, the periods suggested make it almos impossible as the necessary expenditure involved in making the exhaustive research as to a safe minimum output would not be warrant for so short a period.

To sum up the following are our difficulties in complying with your request :-

1st, the conflict of interest consequent upon existing licer and leases (May we presume Government would deal with this?)

2nd, the uncertainty and lack of control in the matter of th demand for Indian ore

3rd, the uncertainty and expense of ascertaining a safe minimum supply

4th, the serious menace of competition from other countries

and possibility of fresh discoverdes nearer the market using chrome ore

While we therefore find difficulty in making you an offer in the terms of your circular letter besides Mysore we would state that the only other taluk in which we are interested is that of Chennarayapatna where we hold lands at Bairapur. As to this we have already made offers to Government but if they will permit this partial response to their enquiry we shall be very glad to resubmit these.

Copy.

B. Foy Nau
Director,
C.N. Mysore Geological Department.

Letter, dated 14th May 1926, from the Managing Director, Messrs. Oakley Duncan & Co., Ltd., Bangalore to the Director, Mysore Geological Department.

In reply to your Circular No. 808 of the 29th of April, we have conferred with Mysore Chromite, Ltd. and we may say that we agree entirely with their comments the writer being the General Manager of that Company. We have also conferred with the Secretary of the Miners' Association, and their reply also re presents our views, amd if the writer can be permitted add, as one has been interested in mining and prospecting in the Mysore State since 1904, he would suggest that if a list of Licensees both companies and private individuals were compiled, together with their outputs and profits derived by each and every one, it would be found that so far from their being any excess profits, one may say that with considerable degree of knowledge that at least 80% were considerable losers by their enterprises and efforts. During the past five years, a false impression has been created in the public press and in the minds of the public entirely at variance with the experience of the prospecting community and we submit that it is in the interests of your department and those who have endeavoured to make a living from the manipulation of chrome and manganese and other minor minerals of the State to eradicate the impression which has arisen and which we fear also must have caused the Government to make the demands which they have made, for a share of the profits in addition to the royalty which as we have repeatedly pointed out exceeds that of any other province in India. In most mining countries, so far from the Government demanding a share of the profits of the licensees other than that usually consolidated into royalty, Government contribute pound for pound or rupee for rupee for all intensive prospecting conducted with their sanction. We fear we must add our name to the list of these people who have lost money in prospecting and marketing manganese ore of this State during

1923/5

141

In reply to your circular, as far as our firm are personally concerned, we are quite willing to continue to prospect in the mineralized zones and desire no monopoly other than granted when we have discovered areas which we consider have indications justifying intensive prospecting or mining. Without incurring an undue risk, we could not pay a sufficiently adequate sum as a minimum royalty which would justify Government in granting such exclusive privileges as a taluk monopoly.

Copy.

B Fay & Co

Director,
Mysore Geological Department.

C.N..

Letter, dated 6th May 1926, from Mr. Singri Nanjappa, Tiptur, to the Director, Mysore Geological Department.

BYRAPUR CHROME MINE:- With reference to your confidential letter No.C/808-1, dated 29th ultimo, I am glad to inform you that I am prepared to work up the Byrapur Chrome Mine in Channarayapatna Taluk for a period of 5 years.

If it is sanctioned to me, I would guarantee a minimum output of 12,000 tons a year and even more if the market for chrome be strong. I would pay the usual royalty at the rate fixed by the Government with a participation of 30% of the net profits with the Government annually.

As this mine situates at a very favourable distance from me I am confident that I would work it very economically and so fully trust that my name will be recommended to the benign Government for this particular block.

Copy.

B Fay Nan.
for Director,
Mysore Geological Department.

C.N.

Letter, dated 3rd May 1926, from Mr. Rao Bahadur D. Lakshminarayan, M.L.C., Kamptee, C.P. to the Director, Mysore Geological Department.

I am in receipt of your letter of the 29th ultimo, and in reply I beg to state that the guarantee of a minimum output with a minimum annual amount of royalty depends upon the extent of the property and quality of mineral found therein If I am allowed to send my Engineer to inspect the mineral zone I shall be prepared to guarantee a minimum output with a minimum amount of annual royalty Or else if you can give me an idea of the extent of properties and the quality of minerals obtaining therefrom.

2. If the properties are extensive and if the quality of ores found therein is good, I think a guarantee of a minimum output with a minimum amount of annual royalty could be given but the period of concession must be longer than 5 years. Because to work mineral properties systematically one is required to spend a considerable amount of money in the development of properties and the purchase of the modern mechanical devices. Unless a long period is allowed it is not possible for any business man to invest a large capital for the working of the mineral properties.

3. I beg to attach herewith a scheme of the working of deposits as desired.

Copy.

B. Rao

Director,
Mysore Geological Department.

C.N.

9. In the event of the chrome ore market being dull or depressed in Europe and America, the applicant shall be exempted from the guarantee of minimum output and minimum amount of-------- annual royalty as stipulated in clauses 1 and 2 above.

10 The Government shall have no right to inspect the applicant's account books or restrict the applicant's management of Mining operations in the best way he thinks proper.

11. ~~The~~ the applicant is given the monopoly of the whole State for working all the chrome deposits he guarantees to export not less than thirty thousand tons per annum as he has ready market in his hands at present

N.B. Other terms and conditions will be settled later on if the Government approves the above conditions.

As the quality of Mysore State Manganese ore is low the applicant did not submit any scheme therefor.

Sd. D. Lakshminarayan
Applicant.

Dated, Kamtee.(C.P.)
The 3rd May 1926.

Copy.

B. Fermor
Director,
Mysore Geological Department.

C.N.

9. In the event of the chrome ore market being dull or depressed in Europe and America the applicant shall be exempted from the guarantee of minimum output and minimum amount of-------- annual royalty as stipulated in clauses 1 and 2 above.

10. The Government shall have no right to inspect the applicant's account books or restrict the applicant's management of Mining operations in the best way he thinks proper.

11. ~~If~~ the applicant is given the monopoly of the whole State for working all the chrome deposits he guarantees to export not less than thirty thousand tons per annum as he has ready market in his hands at presen

N.B. -- Other terms and conditions will be settled later on if the Government approves the above conditions.

As the quality of Mysore State Manganese ore is low the applicant did not submit any scheme therefor.

Sd. D. Lakshminarayan.

Dated, Kamtee.(C.P.) Applicant.

The 3rd May 1926.

Copy.

B Foy Nan

Director,

C.M. Mysore Geological Department.

Letter, dated 5th May 1926, from Mr.E. H. Rushton, No.2, Residency Road, Bangalore, to the Director, Mysore Geological Department.

In thanking you for your eateemed favour No.C/808-1, dated 29th ultimo, permit me to point out that until any area, whether a whole Taluka or any smaller area, has been prospected, it will be impossible for any party to give a guarantee of a minimum output with a minimum royalty. Parties in the enjoyment of Prospecting Licenses or Mining Leases ought to be able to do this, and, it might be possible to legislate that such guarntees should, in futur be insisted upon but as stated, until any area has been prospected it will not be possible to even form an estimate of probable outtur consequently, it will be very necesary that an area should be held under Prospecting License, for at least a period of one year, before such guarantees are asked for; even after holding a Prospecting License for this, as it were probationary period, it will constitute a very real hardship to the small speculator if he is forced to give such guarantee before obtaining a Mining Lease over any area applied for. Further, I venture to suggest that the short period of three to five years would be insufficient to induce the capitalist to enter upon the business f the tenure of the lease could be assured for a minimum of ten years; it would probably make a very considerable difference

---

Copy.

B. Rangachar.

Director,
Mysore Geological Department.

(Rec'd 5/5/26)

Letter, dated nil, from the Superintendent, The United Steel Companies Ltd., Shimoga, to the Offg. Director, Mysore Geological Department.

I have the honour to acknowledge the receipt of your No.C/808-6 of the 29th ultimo, regarding the protection of Manganes and Chrome ores in the State On this matter I should like to have a personal discussion with you, early, as it will be very difficult, with the deposits in their present condition, to guarant anything.

Much has already been lost in prospecting and proving new showings, through Governments late unsettled policy - for no encouragement can be said to have been given, to open out anything.

There are still many points to be cleared in this connection, and these points can only be elucidated personally. We have always been prepared to discuss these matters with Government and whenever possible to meet them in their wishes, but so far as we are concerned the state of the mineral, that is the quality, is in a very unsettled state. It would be most difficult at the momen to give a definite undertaking - much as we would like to do so.

In any case we can undertake to give Government an assurance that with a protection guaranteed, of our original reserved 13 mile radius of Ayanur village (without question) we should give the maximum that the deposits would yield, and we are sure that no other party in the State is in a position to do this. It means much further outlay of capital to open up new showings as all the deposits close to the original tramline are being rapidly exhausted, and any new mineral will of necessity be far from the line, consequently necessitating new lines construction, and this latter we cannot undertake without Government, who on their side must undertake to give us a period over which to work out our salvation.

Regarding the sharing of net profits with Government

as

A5

as I have said before ores counting as low grades will not stand this, as the cycle of the mineral has to be averaged, - that is to say, the top price with the low price or period when ~~stocks~~ stocks have to be kept in anticipation of a rise, which of course in the latter case means dead money and no profits, and it is the Company that has to bear this serious side of the question and not the Government.

The change in values is unerring and certain, and the bad periods always come along.

Respecting ores of over 44 % manganese, it is rather different, but without hesitation I say, that ore giving an average of 44 % Mn. minimum, in bulk analysis and tonnage would permit of a profit sharing basis with Government. This type of ore has of course, still to be found, but with a settled policy and permission to prospect and open out without question is, we think, the only solution, for if properties of 44 % Mn. and over exist, the foregoing would be the only plan to adopt, in order to prove if this class of ore existed in the protected areas or not.

Copy

B Fay Jones.

Director,
Mysore Geological Department.

C.N.

Letter, dated 1st May 1926, from Mr. B. Ivers, Marikuppam, to the Offg. Director, Mysore Geological Department

---

With reference to your letter of the 29th ultimo I have an enquiry for 1500 tons of treated manganese ore per month, but in the initial stages of supply I do not expect to exceed 300 tons per month This at As.12 per ton royalty will bring in an income of Rs.225 p.m. to Government I expect to make a net profit of Rs.7 per ton Rs.2,100, which at the rate of 25% I have already agreed to give will bring in a further sum of Rs.520 p.m. When the 1500 tons p.m. is reached I expect the profits to increase to Rs.10/- per ton net, and Government will then be receiving a total income of Rs.4,875 p.m. - Rs.58,500 per year.

I can guarantee that the latter figure will be reached, and exceeded in a year or two's time when my treating plant is fully erected, and the work organised.

You will recognise that mine is not a straightforward mining proposition, since I have to calcine the ore in a special way; but it means quite a lost to the future welfare of the low grade manganese ores in the State, ~~enormously~~ inasmuch that it makes them high grade, and more suitable for the smelters, and will eventually make the treated ore very much in demand, with a possible increase in price and profits.

Copy

B. Fayram.

Director,
Mysore Geological Department.

C.N.

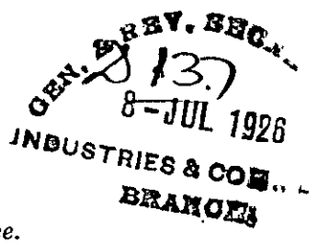
Ycol 20-25-17 40-15 10 (a)

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Office of the Secretary, Economic Conference, 50

No. 98/Econ

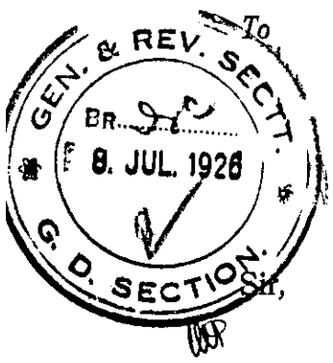
Bangalore, Dated, 7th July 1926



From

01117

R. RANGA RAO, Esq., B.A., B.L.,
Secretary, Economic Conference.



To

C. Ranganatharao Saheb, Esq., B.A., B.L.,
Revenue Secretary to Government.

Sir,

I have the honour to forward herewith for orders of Government copy of letter No.859 dated 16th June 1926 from the Secretary Board of Industries and Commerce communicating the Resolutions passed by the Board at their meeting held on 29th May 1926 on the

*
(1) Revision of rules for the grant of prospecting license and mining lease.
(2) Increase of the maximum areas for mining lease in the case of Manganese and Chrome.
*

recommendations of the Mineral Sub Committee in regard to the marginally noted subjects.

I have the honour to be,

Sir

Your most obedient servant,

R. Ranga Rao

Secretary, Economic Conference.

Letter No.859 dated 16th June 1926 from the Secretary, Board of Industries and Commerce.

I am directed to state that the Board passed the following resolutions at their meeting held on 29th May 1926 on the recommendations of the Mineral Sub Committee with reference to subjects noted below.

Subject.	Resolution of the Board.
1. Revision of rules for the grant of prospecting - license and mining lease.	"That the period for which a prospecting license might be granted should be extended to 3 years instead of - one year as at present and a license might be renewed for 3 years at the end of which period a prospecting license holder might be allowed to take out a mining lease if necessary. It was also recommended that the - mining lease should be fixed for a period of at least 10 years in the first instance with a right to a renewal for a further period of 10 years as allowed under the existing rules."
2. Increase of the maximum areas for mining lease in the case of Manganese and Chrome.	"That the maximum area for Chrome and Manganese may be fixed as one square mile."

C O P Y

L R Jamkhandi
6-7-26.

Superintendent, Econ: Confce. Office.

APP. F. VI. Gl.]

SUBJECT.....

.....

.....

Diary No. of letter replied to 1327

Section Genl

File No. 96-28

Seria No. II.

No. 1363 & 16/7/1926

To The Secy. Economic Conf.

General and Revenue Secretariat

( )

the 192

Sir

Date of issue 16/7/1926

By

Signed by Mr Venkatasamy

With reference to your letter No 98 Cy 7.7.26 forwarding copy of letter from the Secy Ind. Board Communicating the resolutions passed on the recommendations of the Mineral Sub Committee I am directed to request you to forward an extract of the discussions at the meeting leading to the

List of enclosures.....

& together with copies of any papers read at the time

Copied by.....

Examined by.....

over

53

Resolutions in Executive Session

WG 14/7 — Leg. to Govt Rec'd Dept

14.7.26

06259

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF M

54

Office of the Secretary, Economic Conference,

Bangalore, Dated, 3rd August 1926.

No. 459/Mes2

Ecol. 96-25-12

GEN. REV. SECRETARIAT
5 AUG 1926
INDUSTRIES & COMMERCE BRANCH.

From

R. RANGA RAO, Esq., B.A., B.L.,
Secretary, Economic Conference.

GEN. & REV. SECTT.
BR. IC
4 AUG. 1926
G. D. SECTION.

C. Ranganatha Rao Saheb, Esq., B.A., B.L.,

Revenue Secretary to Government.

With reference to your letter No.I.C.363/Gen.96-25-11 dated 16th July 1926 requesting that the extracts of discussions of the meeting of the Board together with copies of any papers read at the time, pertaining to the Resolutions passed by the Industries and Commerce Board on the recommendations of the Mineral Sub Committee be forwarded to you, I have the honour to forward herewith a copy each of the Proceedings of the last Sub Committee and the Board which contain the discussions relating the subjects referred to above and to add that no other papers notes were read or discussed at the meeting leading to the Resolutions in question.

I have the honour to be,

Sir,

Your most obedient servant,

R. Rangarao

SECRETARY, ECONOMIC CONFERENCE

BOARD OF INDUSTRIES AND COMMERCE.

Proceedings of the meeting of the Sub-Committee relating to Mineral Industries held on Tuesday the 16th February 1926 at 2-30 P.M. in the Office of the Director of Geology.

Present.

A. M. SEN, ESQ., M.SC.,
Offg. Director of Geology (Convener).

1. THE OFFG. DIRECTOR OF INDUSTRIES AND COMMERCE.
2. RALPH NYE, ESQ.

R. ANANTHASUBRAMANYAM, ESQ., B.A., B.L. (*Secretary*).

Absent.

1. THE CHIEF ELECTRICAL ENGINEER.
2. THE GOVERNMENT DIRECTOR, MYSORE IRON WORKS.
3. B. SITARAMACHAR, ESQ., B.E.
4. V. MANICKVAVELU MUDALIAR, ESQ.

The first question that was taken up for consideration was the revision of the rules for the grant of exploring, collecting and prospecting licenses, with special reference to Asbestos and Kaolin and their present conditions and also the increase of the area for the mining lease in the case of Chrome and Manganese ores, etc. The Convener explained briefly the present rules and said that he had already submitted certain proposals to Government regarding the modification that he considered necessary in the present rules. These rules have not yet been referred to the Board. The Sub-Committee however considered such of the rules as related to the points raised in the discussions at the meeting of the Board of Industries and Commerce held on 28th March 1925.

The first point to be considered was, that under the present rules for working Chrome and Manganese, only prospecting license was issued while that no mining lease is granted at all in such cases. The latest rules provide for such prospecting license being renewed from year to year and during pendency of the prospecting license, the license holder can win and market ore to the best advantage. The difference between the exploring and prospecting licenses and mining lease was considered and it was agreed that if the intention of the Government is to encourage larger investment in such mineral industries, the present rules are not quite satisfactory and that the original rules, *viz., that the prospecting license granted for a year should be made subject to renewal for 3 years at the end of which prospecting license holder may be allowed to take a mining lease if necessary. It was also considered necessary that the mining lease should be fixed for a period of at least 10 years in the first instance with a right to a renewal for a further period of 10 years, as allowed under the existing rules.*

As regards the present rules which provide for a share of the profit being given to Government, several alternatives were considered one of them being that a sliding scale might be fixed regarding the Royalty to be levied. The Sub-Committee however thought that this was a question of policy to be decided by Government and that it might be discussed in the Board, due consideration being paid to the results of the working of the present rules during the last year or two.

As regards the question of grant of maximum area for mining lease, the Board at their meeting held on 28th March 1925 decided that Government of India rules might be examined and if need be, our rules be modified. The Government of India have delegated the power to the local Governments and the Government of Madras have prescribed the following rules.

	Sq. miles
Coal ...	**4**
Oil ...	**2**
Gold or silver ...	**1**
Metals ...	**1**
Precious stones ...	**1**
Mica ...	**1**

"Every prospecting license shall be restricted to such area as is reasonably required for bona fide prospecting purposes. In determing this area, Collectors should have regard to the character of the minerals to be prospected for and to the means at the disposal of the prospector. If the area applied for exceeds the extent specified in the margin, the Collector should make a reference to the Board of Revenue before granting license under rule 21 (22) in Part II of this Section:"

It is suggested that so far as it goes in Mysore, the area may be fixed as follows.

Manganese and Chrome—1 sq. mile.

As regards calcined Magnesite, the Convener mentioned that an enquiry for this has been received from abroad and some of the areas where this is available have been given under lease and there were other areas where prospecting would have to be done yet. The present enquirers wanted under certain specific conditions the mineral to be supplied which would necessitate the work to be done on some industrial basis. The Sub-Committee felt that in conducting the prospecting operations it was not desirable to undertake any experiments unless some portions of the preliminary expenses are borne by the party on whose behalf such enquiries are made.

As regards the local building stones, the Sub-Committee was of opinion *that a detailed investigation should be made by the department of Geology regarding the availability of building stones and the uses to which they will be put to and as to whether this cannot be made a substitute for the imported material of the same quality and recommended that a small grant of Rs. 500 may be sanctioned for such investigation.*

R. ANANTHASUBRAMANYAM,
Secretary.

A. M. SEN,
Convener.

BOARD OF INDUSTRIES AND COMMERCE.

PROCEEDINGS OF THE SEVENTH MEETING OF THE BOARD OF INDUSTRIES AND COMMERCE HELD ON SATURDAY THE 29TH MAY 1926, AT 1 P.M. IN THE CHAMBERS OF THE SECOND MEMBER OF COUNCIL.

Present.

Rajakaryaprasakta Diwan Bahadur Mr. M. N. Krishna Rao, B.A., Offg. Second Member of Council. Chairman.)

MEMBERS.

1. The Offg. Director of Industries and Commerce.
2. The Director of Geology.
3. The Conservator of Forests.
4. The Offg. Agent, Mysore Railways.
5. The Industrial Chemist.
6. P. G. D'Souza, Esq., B.A., B.L.
7. Ralph Nye, Esq.
8. V. Manickyavelu Mudaliar, Esq.
9. N. S. Sirur, Esq.
10. M. Venkatasubbaiya, Esq.
11. B. Usman Khan, Esq.
12. P. Murugesam Pillai, Esq.
13. Sati Halappa, Esq.
14. N. M. Sivalingappaiya, Esq.

R. Ananthasubramanyam, Esq., B.A., B.L. (Secretary.)

Absent.

1. The Chief Electrical Engineer. (Letter received.)
2. The Government Director, Mysore Iron Works. (Letter received.)
3. Rajasabhabhushana Diwan Bahadur Sir K. P. Puttanna Chetty, KT., C.I.E. (Letter received.)
4. B. K. Garudachar, Esq. (Letter received.)
5. B. Sitaramachar, Esq., B.E.
6. Modi Abdul Gaffur, Esq.

The Secretary, Economic Conference, was also present.

Proceedings of the last meeting of the Board, copies of which had been circulated to members, were taken as read and confirmed.

I. DRAFTING OF A BILL FOR INTRODUCING WORKMEN'S COMPENSATION ACT INTO MYSORE.

The Chairman said that at the last meeting of the Board it was decided to get information as to the number of workmen employed and the number protected by voluntary schemes framed by the employers and also to get reports from British Provinces as to the working of the Workmen's Compensation Act. He requested the Secretary to read out the summary of replies received from the various employers of labour and also of the reports received from the British Provinces. The Secretary then informed the Board that 122 employers of labour were requested to inform the Board as to the total number of workmen employed by them whose age was above and under 15 and of these that only 75 had responded. With regard to the percentage of workmen protected by the scheme he mentioned that

88 per cent of the total number of employees were protected by some voluntary scheme framed by the employers. As regards the working of the scheme in other British Provinces he said that only 4 Provinces had sent their reports giving details as to the number of workmen that had met with fatal accidents, permanent and temporary disablements and the amount of compensation awarded in each case in Bombay, Madras, Bengal and Punjab.

The Conservator of Forests wanted to know if the figures mentioned in the report included number of accidents caused to the Railway employees.

The Chairman said that the reports received were not quite clear on the point. He also observed that the number of accidents in Bombay and Madras Presidencies, the two neighbouring British Provinces, which had industrially by far advanced, was not much. He observed that as a measure to protect the employees the Board had already decided to introduce the Workmen's Compensation Act in Mysore, but he thought it would be better in order to enable the members, to arrive at a decision regarding the details of a Bill if the information already collected was circulated amongst the members in the form of a note. The members assenting to this it was decided to take up the consideration of the proposition at the next meeting of the Board, the Secretary in the meanwhile circulating a detail precis of the information so far collected.

II. Consideration of the Proceedings of the Meeting of the Sub-Committee relating to Mineral Industries held on 16th February 1926.

The Chairman mentioned that the resolution of the Sub-Committee *re* the mining and prospecting licenses might be sent up to Government if the Board had no more modifications to suggest than those observed by the Sub-Committee in view of the fact the rules now in force do not offer sufficient inducement to prospective investors in mineral industry.

The Director of Geology explained that the prospecting license was now issued for a period of one year subject to renewal at the end of the period while as per old rules it was fixed at three years. He said that in his opinion the extension of the period as proposed appeared necessary.

The Conservator of Forests wanted to know if the applicant for a prospecting license was not entitled for a mining lease after the period of prospecting was over. The Director of Geology said that so far there was no case where an applicant for a mining lease was refused after he had done prospecting work.

The other members of the Board were of opinion that the recommendations of the Sub-Committee might be accepted and sent up to Government.

"It was resolved that the period for which a prospecting license might be granted should be extended to three years instead of one year as at present and a license might be renewed for three years at the end of which period a prospecting license holder might be allowed to take out a mining lease if necessary. It was also recommended that the mining lease should be fixed for a period of at least 10 years in the first instance with a right to a renewal for a further period of 10 years as allowed under the existing rules."

The question of taking a portion of the profits in addition to the Royalty was taken up for consideration.

The Chairman in opening the discussion, said that as a general principle, there could be no objection in the State demanding a share of the profits, in addition to Royalty.

Mr. P. G. D'Souza explained the position and said that Government may reserve the right to impose conditions of payment of a percentage in each case where the license holder makes profits.

Mr. B. Usman Khan said that it was not fair to take Royalty in addition to profits. He was of opinion that no profits can be taken inasmuch as the Government would not participate in the loss sustained by a license holder.

Mr. V. Manickyavelu Mudaliar said that in British Provinces only Royalty was charged and no profits were taken into account at all. He also mentioned that it would be difficult to obtain correct accounts in order to ascertain the net profit an applicant makes. He was of opinion that Royalty should be taken and profits need not be shared.

Mr. P. G. D'Souza said that the scale of the Royalty might be reduced in cases where the profits are shared with Government.

The Director of Geology suggested that the practice in the British Provinces might be ascertained before taking further action.

Accordingly it was resolved—

(2) **"That the Director of Geology might be requested to get information from British Provinces as to the levy of Royalty and the system, if any, in force there, in regard to the sharing of profits."**

The question of increasing the maximum area for Manganese and Chrome was next taken up.

The Director of Geology said that the present rules permit only a maximum area of one-fourth of a square mile in the case of Manganese and Chrome and that the area was too small.

Mr. V. Manickyavelu Mudaliar was also of the same opinion.

The other members of the Board were of opinion that the area might be extended to one square mile as recommended by the Sub-Committee.

It was resolved—

"That the maximum area for Chrome and Manganese may be fixed at one square mile."

The Industrial Chemist then suggested that the prospecting work for the Calcined Magnesite might be taken as there was a great demand for the same from outside the State.

The Director of Geology and Mr. P. G. D'Souza were of opinion that the stuff was not available in sufficiently large quantities and it may not be possible therefore to make any profit on the business.

The other members also being of the same opinion, it was decided that the subject might be dropped.

The question of making an investigation in regard to Building Stones was taken up.

The Chairman wanted to know the object of the Sub-Committee in recommending a grant of Rs. 500 for investigation and how the investigation would be useful.

The Director of Industries and Commerce said that stones available in Tumkur District near Chelur were just like Cuddapah slabs and were suitable for building and flooring and, in that connection, a grant for carrying on some experiments was asked for.

Mr. P. G. D'Souza expressed his opinion that the experiments could be conducted by the Department itself out of the budget grants and there was no necessity for a separate grant.

It was decided that the Department of Geology or Industries might take up the work connected with building stones if they deemed there was any workable scheme that could be formulated.

III. Consideration of the Proceedings of the meeting of the Sub-Committee relating to Forest Industries held on 23rd February, 1st and 9th March 1926.

The resolutions *re* the collection of data to find out the effects of the tanning materials imported into India on the utilisation and exportation of Tangadi Bark and the deputation of officers to collect necessary data were taken up for consideration. The Chairman wanted to know what the object of the Sub-Committee was in regard to the deputation of two officers.

The Conservator of Forests explained in brief the adverse effect the imported Wattle Bark had on our Tangadi trade and said that so far as it went with trade in Bangalore to a large extent our Tangadi trade was being displaced and though at present there was outside market for Tangadi in Madras, he was not quite sure if the competition of Wattle would not affect us even there. He then explained the scope of the investigation proposed to be conducted.

The Chairman observed that the matter might be investigated by a junior officer of the Forest Department. He added that the collection of data and investigation of the impert and export of the bark was a matter which primarily concerned the Forest Department and that Department might take action on the lines proposed.

Accordingly it was resolved—

"That a Junior Officer of the Forest Department might be deputed to collect to find out the effects ot the tanning material imported to India on the demand for Tangadi Bark."

The question of carrying on experimental work in connection with tanning materials was then taken up.

The Chairman wanted to know what experiments were required to be conducted in the matter.

The Industrial Chemist replied that the strength of the tan-stuff had to be found out and the proportion of several materials for tanning purposes had to be determined so that no material was wasted. The Conservator of Forests was also of the same opinion.

Mr. B. Usman Khan said that no experiments were necessary as the tanners themselves would be in a position to determine the proportion of several tanning materials used for tanning and that they would not waste any material.

The Director of Industries and Commerce said that experiments were being carried on in Madras in this respect.

The Chairman wanted to know what the expenditure for carrying on experiments would be. The Industrial Chemist said that about Rs. 750 would be enough to carry on the experimental work.

The general sense of the Board was that the work might be deferred till the results of the experiments in Madras were known.

It was resolved—

"That the experimental work in connection with tanning materials might be deferred till the results of experiments at Madras are received."

The other two resolutions, *viz.*, the reservation of Tangadi Bark areas and the prevention of the adulteration of the Tanning Bark were taken up.

The Chairman observed that the two subjects concerned the Forest Department which might investigate the matter. It was decided that the matter might be referred to the Forest Department.

Mr. B. Usman Khan brought to the notice of the Board that he had submitted a note on the position of the Tangadi Bark and it was not considered at all. The Chairman then with the consent of the members took up the note for consideration. He read the whole note and observed that the note pertained to the difficulties of the present tanning bark contractors rather than the improvement of the tanning industry with which the Board was concerned. Mr. B. Usman Khan did not in these circumstances press his request to have his note further considered.

IV. Scheme for the manufacture of Caustic Soda and Bleaching Powder.

The Chairman mentioned that the scheme was submitted by the Industrial Chemist in accordance with the resolution of the Board passed at the last meeting. He said that the scheme was expected to yield a net profit of Rs. 4,000 after providing for interest and depreciation and wanted to know if the caustic soda and bleaching powder could be sold easily.

The Industrial Chemist said that the scheme was prepared in consultation with Dr. Rama Prasad and that Electric Power could be obtained at ·25 of an anna per unit at nights and that the scheme is drawn up to produce 115 tons of caustic soda and 360 tons of bleaching powder. He said that while preparing the scheme it was thought that only 80 tons of caustic soda would be sold in Bangalore, but by a subsequent enquiry it was ascertained that in Bangalore alone there was a demand for a greater quantity of caustic soda than the plant could produce. As regards bleaching powder he said that could be sold outside the State easily as the

price would be much lower than the prices at which the foreign competitors would be able to offer. The cost of the manufacture was very accurately estimated and that the scheme would work profitably.

The Chairman then invited the opinion of the members of the Board as to whether it was advisable for Government to take up the concern or if it could be entrusted to private enterprise.

The Industrial Chemist said that in the year 1919, the scheme was considered by the Board and the Government kept the scheme in abeyance due to financial stringency and that alkali industry was the key industry in all Western Countries.

Mr. B. Usman Khan said that as the expenditure would be about a lakh of rupees and as some of the new industries worked by Government were not paying he was not in favour of having any more new industries worked by Government.

Mr. M. Venkatasubbiah said that if the products could be sold the Government might undertake the concern.

Messrs. Sati Halappa and Sivalingappaiya were also of the same opinion.

Mr. Ralph Nye said that he was not for the scheme being worked as a Government concern as there was no special reason for doing so and that this should be done mainly by private enterprise unless however it was possible to add it on as a side activity of bigger scheme already worked by Government. He thought if it was intended, to demonstrate the utilisation of electric power during night-time; the scheme might be referred to the Chief Electrical Engineer and he be asked to undertake it.

The Chairman wanted to know if the scheme could be modified so as to work it with a smaller capital and if it could not be taken as an adjunct to the existing Government Soap Factory.

The Industrial Chemist said that he would go through the figures and see if the scheme could be worked on a smaller scale as an adjunct to the Soap Factory.

It was resolved—

"That the further proposals of the Industrial Chemist might be awaited."

V. CONSIDERATION OF THE PROCEEDINGS OF THE MEETING OF THE SUB-COMMITTEE TO CONSIDER THE PROPOSITIONS MOVED AT THE MEETING OF THE ECONOMIC CONFERENCE OF 1925.

The resolution of the Sub-Committee *re* the instruction in Minor Industries in Middle Schools and important Hobli Headquarters was taken up for consideration.

The Chairman said that as recommended by the Sub-Committee the receipt of information from the Education Department might be awaited. All the members of the Board were of the same opinion and it was decided that information might be obtained of the Education Department as to the places where practical instruction classes have been started and the subjects in which instruction is imparted, the number of pupils under training.

The resolution *re* the teaching of Home Industries in all Girls' Schools at District Headquarters and inclusion of spinning and weaving in the list of Home Industries was taken up.

Mr P. G. D'Souza said that weaving could not be included in the list of Home Industries and it was not possible to finish the course in a short time and that women were not in a position to earn anything by weaving.

The Director of Industries and Commerce said that though of the upper classes girls might not like to learn weaving, it might with advantage be taken up by those of middle and lower classes who could earn something from it and that he had seen some women working at weaving sheds in Davangere and other places.

Mr. Sati Halappa suggested that Home Industries ought to be taught in Girls' Schools as it would be of help to girls in their future life.

The Chairman said that it would be better to consult the Inspector-General of Educarion in the matter as the proposition related to the Education Department.

Accordingly it was resolved—

"That the Inspector-General of Education might be consulted in the matter."

The question of abolishing Octroi where Toll-Tax is levied was taken up for consideration.

Mr. Sati Halappa, mover of the proposition, said that the levy of both the taxes works as a hardship and checks the growth of commerce and trade.

Mr. B. Usman Khan was also of the same opinion.

After some discussion it was resolved—

"That the Board considers that the levy of both Octroi and Toll-Tax operates as a hindrance to trade and some relief is necessary."

VI. Duty Free Alcohol.

The note prepared by the Industrial Chemist *re* the Duty Free Alcohol was taken up for consideration.

Mr. P. G. D'Souza said that the question of making the supply of Alcohol duty free was under the consideration of Government and suggested that the consideration of this note might therefore be deferred pending orders of Government in the matter.

It was decided to defer the subject till the orders of Government were received.

VII. Grant for the translation of Elementary Books on Mechanical and Electrical Engineering into Kannada Language for the Benefit of the Working Classes.

The Chairman said that practice in other British Provinces like Bombay and Hyderabad might be ascertained and that a set of such translated books might also be obtained.

The Industrial Chemist said that the Karnataka Parishat was trying to translate some of the books and said that he would get some information before the next meeting of the Board.

The Chairman observed that if the Parishat is prepared to translate books of the kind a grant might be given to it.

It was resolved—

"That information might be obtained from Bombay and Nizam's State as to the arrangements made in regard to the translation of books into vernaculars."

VIII. Proposals of the Director of Industries and Commerce *re* the grant to Home Industries Classes.

The Chairman said that according to the present rules grant to Home Industries classes was made by fixing a minimum per pupil per month and that Director of Industries and Commerce had submitted fresh proposal for a slight modification of the existing rules.

The Director of Industries and Commerce said that in some places it was not possible to find accommodation for the schools and that he had suggested a lumpsum grant including Rs. 20 in big cities and Rs. 10 in moffussil for rent and a lumpsum grant for the pay of the teacher and a fixed sum towards wastage.

As there was not sufficient time to discuss the question it was resolved "*to bring it up before the Board at the next meeting.*"

R. ANANTHASUBRAMANYAM,
Secretary.

M. N. KRISHNA RAO,
Chairman.

WD 2537—GPB—150—18-6-26

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat,

Dated, Bangalore, 13/8/1926

No. I.C. 1032 55

Ref 96-25-12

E.R. 96-25-913

From

C. Ranganatha Rao Sahib, Esq., B.A., B.L.,
Secretary to the Government of His Highness the Maharaja of Mysore,
Revenue Department.

To

B. Jayaram, Esq., F.G.S.,
Director of Geology in Mysore,

Sir,

In inviting your attention to resolution No.II (2) of the proceedings of the 7th Meeting of the Board of Industries and Commerce held on 29th May 1926 and the discussions leading to it, I am directed to request you to submit a report to Government on the enquiries, if any, which you have made regarding the levy of royalty on manganese, chrome, and other minerals and the system in force in the several British Provinces as to the nature and details of revenue (including share in net profits, if any) that those Governments get, from the mining activities conducted there.

The favour of a very early reply is requested.

I have the honour to be,
Sir,
Your most obedient servant,

Fair copy

12/8

for Secretary to Government,
Revenue Department.

BRS/2

APP. F. VI. Gl.]

SUBJECT..... 2 Copies

..... 56

.....

.....

Section Genl

File No. 96-25

Serial No. 12

No.

Diary No. of letter replied to 27

To

The Dir. of Genl

General and Revenue Secretariat

( )

the *192*

Sir

Date of issue.....

Signed by.....

In inviting your attention to resolution no. II (2) of the Proceedings of the 7th meeting of the Board of Geology held on the 29.5.26 & the discussions leading to it, I am directed to request you to submit a report to Govt on the enquiries which you have made by your letter no. dated. regarding the levy of royalty on manganese, & other minerals and the systems in force in the several British Provinces (& native States)

over

List of enclosures.....

Copied by.....

Examined by.....

Subject to approval

Govt Secy

WD 01265—GPB—31,000—24-12-25

57 nature + details of those (including share in net profits if any)
as to the revenue that Govt get from the mining activities
carried on
~~regard to the above~~
~~projects~~

The favour of a reply is requested

Thanking you

Yours faithfully
Ravi Wadhwa

12/8

0948

58

.M.G.D.12.]

No. 857-2

DATED, BANGALORE, 8-8-26

GEN. DEPTS. 18 AUG 1926 INDUSTRIES & COMMERCE BRANCH

1027

FROM

B. JAYARAM, ESQ., F.G.S.,
Director, Mysore Geological Department.

Sect. 96-25-1

To SECTT. FR. 9/8 18 AUG. 1926 G. D. SECTION.

C. Ranganatha Rao Saheb, Esq., B.A.,B.L.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
REVENUE DEPARTMENT.

SIR

With reference to your letter No.I.C.1032 Geol.96-25-13 dated 13th August 1926, regarding resolution No.II (2) of the 7th meeting of the Board of Industries & Commerce held on 29-5-2 on the subject of the levy of royalty on manganese, chrome etc, in the several British Provinces, I have the honour to state that I have recently sent a letter to the Board in the matter I have reported that the Government of India Rules and those of the Central Provinces & Berar and of Madras Governments have - been looked into, that the rates of the royalties leviable are fixed by the Government of India and the Provincial Governments are left no power to alter them, and that the system of sharing of net profits is only applied in the case of royalties on Gold and Silver and Precious Stones and not in the case of other ordinary minerals as chrome, maganese etc.

The royalty on manganese is at 2½% of sale value at pits mouth and works at six annas per ton at the present rate. It may be stated here that manganese in British India is largely to be obtained in the Central Provinces and in the Vizagapatam District of the Madras Presidency

I have the honour to be,
S i r,
Your most obedient servant,

B. Jayaram.
D i r e c t o r,
Mysore Geological Department.

B.N.1/16.

MZ. 675 & 40/8/26

59

Dear Sir

It is understood that the Director, Mysore Geological Department, has addressed a letter to the Secretary, Board of Industries and Commerce in respect of resolution II(2) of the Seventh Meeting of the Board held on 29th May 1926 on the subject of royalty on manganese, chrome etc. and of the system of profit-sharing I am to request you to obtain and submit the recommendation of the Board in the matter at an early date.

Yours sincerely,

for chief secy

R. Ranga Rao Esq., B.A., B.L.,

Secretary, Mysore Economic Conference.

[redacted]

Yours Sincerely
[redacted]

To
Lieut. Col. E. [illegible]
Rev. Adjutant

[redacted]

[illegible]
[illegible] R. Ramesa Rao Esqr, B.A. B.L.
[illegible]

APP. F. VII

60

SUBJECT.....

.....

.....

Section Ecdl

File No. 96 - 25

Serial No.

No.

Diry No. of letter replied to 1027

General and Revenue Secretariat

( )

the 192

To

The Secy. Dte. Board

Econ. Confce

Dear Sir

It is understood that the Dte

~~Hyderabad with reference to the~~ Medical Dept has addressed a letter

~~Correspondence regarding~~ ~~is in progress by the Dir. of Ec~~

~~been received~~ in respect

resolution II (2) of the 7th

of the Board ~~of the~~ held on

24-5-26 on the subject of

rogalty or remuneration

Chrome ore, and of the system of profit

sharing. I am therefore desired

~~directed~~ to request Govt

obtain and

to submit early Govt's

recommendation of the

Board in the matter

over

Date of issue.....

Signed by.....

the Secy Dte. Board

List of enclosures.....

Copied by.....

Examined by.....

WD 01265—GPB—31,000—24-12-25

1631 62

Geol. 96-25

18 SEP 1926
INDUSTRIES & COMMERCE

D.O. No. 842/Geol

Office of the Secretary, Myeore Economic Conference.

Dated, Bangalore 17th Sept. 1926.

Dear Sir,

In reply to your D.O.No.I.C.1565 Geol.96-25 dated 4th September 1926, I enclose herewith copy of letter No.297 dated 13th September 1926 from the Secretary to the Board of Industries and Commerce stating that the subject of Royalty on Manganese, Chrome etc will be considered at the next meeting of the Board, and their resolution duly communicated.

Yours sincerely

17/9/26

To 18/9

V. Vedavyasachar, Esqr., B.A.,
Assistant Secretary,
Industries & Commerce
Branch, Bangalore.

JYS

G. R. S. III—3]

ROUTINE-NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Copy of ~~the~~ letter No.297 dated 13th September 1926 from R. Anantasubramanyam, Esqr., B.A, B.L., Secretary Board of Industries and Commerce, Bangalore, to the Secretary, Economic Conference.

With reference to your letter No.799 dated 8th inst. enclosing copy of D.O. letter No.I.C.1565 Geol.96-25 dated 4th September 1926 on the subject of Royalty on Manganese, Chrome etc., I am directed to state that the subject will be considered by the Board at the next meeting and their resolution communicated duly.

Sd. R. Anantasubramanyam.
Secretary.

"Copy"

S.R. Jamkhandi. 17-9-26.
Superintendent Economic Conference Office.

N. B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form.